reviews of the antidumping duty orders on ball bearings and parts thereof from Italy and the United Kingdom.

Therefore, in accordance with 19 CFR 351.221(b)(2) and (4) and 19 CFR 351.221(c)(3)(i), we will issue questionnaires requesting factual information for the reviews and will publish a notice of preliminary results of the antidumping duty changed–circumstances reviews in the **Federal Register**. The notice will set forth the factual and legal conclusions upon which our preliminary results are based. Pursuant to 19 CFR 351.221(b)(4)(ii), interested parties will have an opportunity to comment on the preliminary results of the reviews. During the course of these antidumping duty changed–circumstances reviews, we will not change the cash–deposit requirements for the subject merchandise. The cash–deposit rates will be altered, if warranted, pursuant only to the final results of these reviews.

This notice of initiation is in accordance with section 751(b)(1) of the Act and (d), and 19 CFR 351.221(b)(1).

Dated: March 5, 2007.

Stephen J. Claeys,

Deputy Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–893]

Certain Frozen Warmwater Shrimp From the People's Republic of China: Preliminary Results and Partial Rescission of the 2004/2006 Administrative Review and Preliminary Intent To Rescind 2004/2006 New Shipper Review

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

SUMMARY: The U.S. Department of Commerce (''the Department'') is currently conducting the 2004/2006 administrative review and a 2004/2006 new shipper review of the antidumping duty order on certain frozen warmwater shrimp from the People's Republic of China (''PRC''). The period of review (''POR'') for both the administrative and new shipper reviews is July 14, 2004, through January 31, 2006. We preliminarily determine that sales have not been made below normal value (''NV'') with respect to certain exporters subject to the administrative review. We also have preliminarily found that the single sales made by Asian Seafoods (Zhanjiang) Co., Ltd. (''Asian Seafoods'') and Hai Li Aquatic Co., Ltd. Zhao An, Fujian (''Hai Li''), the new shipper, were not *bona fide*. Further, we are preliminarily applying adverse facts available to Meizhou Aquatic Products Quick-Frozen Industry Co., Ltd. (''Meizhou'') and Shantou Red Garden Foodstuff/Shantou Red Garden Food Processing Co. (collectively, ''Red Garden''). If these preliminary results are adopted in our final results of these reviews, we will instruct U.S. Customs and Border Protection (''CBP'') to assess antidumping duties on entries of subject merchandise during the period of review (''POR'') for which the importer-specific assessment rates are above *de minimis*.

Interested parties are invited to comment on these preliminary results. We will issue the final results no later than 120 days from the date of publication of this notice.

EFFECTIVE DATE: March 9, 2007.

FOR FURTHER INFORMATION CONTACT: Erin Begnal or Scot Fullerton, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482–1442 or (202) 482–1386, respectively.

Background

On February 1, 2005, the Department published in the **Federal Register** the antidumping duty order on certain frozen warmwater shrimp from the PRC. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp From the People's Republic of China*, 70 FR 5149 (February 1, 2005).

On February 22, 2006, Hai Li, in accordance with 19 CFR 351.214(c), requested a new shipper review of the antidumping duty order on certain frozen warmwater shrimp from the PRC, which has a February anniversary month. On March 23, 2006, the Department initiated a new shipper review of Hai Li covering the period July 16, 2004, through January 31, 2006. *See Certain Frozen Warmwater Shrimp from the People's Republic of China: Initiation of New Shipper Review*, 71 FR 14681 (March 23, 2006).

On February 1, 2006, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on certain frozen warmwater shrimp from the PRC. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 71 FR 5239 (February 1, 2006).

The Department received timely requests from the Ad Hoc Shrimp Trade Action Committee and certain individual companies, in accordance with 19 CFR 351.213(b), during the anniversary month of February, for administrative reviews of the antidumping duty orders on certain frozen warmwater shrimp from the PRC covering 164 companies. However, on March 1, 2006, the Ad Hoc Shrimp Trade Action Committee withdrew its request for administrative review on one company. The Department, therefore, initiated an administrative review on the remaining 163 companies. *See Notice of Initiation of Administrative Reviews of the Antidumping Duty Orders on Frozen Warmwater Shrimp from the Socialist Republic of Vietnam and the People's Republic of China*, 71 FR 17813 (April 7, 2006) (''*Initiation Notice*'').

The *Initiation Notice* specified that responses to the Department's quantity and value (''Q&V'') questionnaire were due by April 28, 2006. Additionally, the Department has a rebuttable presumption that a single dumping margin is appropriate for all exporters in a non-market economy (''NME'') country. However, the Department stated that it would consider information submitted in response to the Department's separate rate certifications/applications in order to determine whether or not respondents qualify for a separate rate. The *Initiation Notice* indicated that responses to the Department's separate rate certification were due on April 28, 2006, and responses to the Department's separate rate application were due May 19, 2006.

On March 17, 2006, the Department received copies of CBP documents pertaining to the entry of certain frozen warmwater shrimp from the PRC, exported by Hai Li during the POR, from CBP. *See* Memorandum to the File through Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from Michael Quigley, Case Analyst, AD/CVD Operations, Office 9, regarding *Certain Frozen Warmwater Shrimp from the People's Republic of China: Entry Package(s) from U.S. Customs and Border Protection (''CBP'')* (December 11, 2006). On March 21, 2006, the Department issued Hai Li its antidumping duty questionnaire sections A, C, and D.

On April 14, 2006, Hai Li agreed to waive the time limits of its new shipper review of certain frozen warmwater shrimp from the PRC, pursuant to 19 CFR 351.214(j)(3), and agreed to have its

review conducted concurrently with the 2004/2006 administrative review. *See Certain Frozen Warmwater Shrimp from the People's Republic of China: Notice of Postponement of Time Limits for New Shipper Antidumping Duty Reviews in Conjunction with Administrative Review*, 71 FR 26454 (May 5, 2006). On April 25, 2006, Hai Li submitted its response to section A of the Department's questionnaire. On May 11, 2006, Hai Li submitted its response to section C and D of the Department's questionnaire, and the Department issued Hai Li its supplemental section A questionnaire. Hai Li responded to the Department's supplemental section A questionnaire on June 1, 2006.

Of the 163 named firms for which the Department initiated an administrative review, and consistent with the guidelines established in the *Initiation Notice*, on April 28, 2006, 28 firms responded to the Department's Q&V questionnaire. Of these 28 firms, 16 indicated they had shipments of subject merchandise during the POR that were subject to review and 14 firms submitted their separate rate certification. Also, on May 19, 2006, three firms submitted their separate rate application. One of the three, Fuqing Minhua Trade Co., Ltd., an affiliate of Yelin, was not listed in the *Initiation Notice*; however it submitted a separate rate application. Furthermore, on May 19, 2006, the Ad Hoc Shrimp Trade Action Committee withdrew its request for an administrative review of one company: Polypro Plastics.

On May 22, 2006, the Department sent a letter to the remaining firms that did not respond to the Department's Q&V questionnaire and separate rate certification/application providing them with another opportunity to submit the requested information (*i.e.*, by June 5, 2006). *See* Memorandum to the File, from Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, regarding *Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Letters to Interested Parties Regarding Final Opportunity to Submit Quantity and Value Questionnaire Response and Separate Rate Applications/ Certifications* (May 22, 2006); *see also* Letter to Whom It May Concern, from Christopher D. Riker, Program Manager, Office 9, Import Administration, regarding *2004–2006 Administrative Review of the Antidumping Duty Order on Certain Frozen Warmwater Shrimp from the People's Republic of China* (May 22, 2006) (''*Q&V Follow-up Letter*''). On May 1, 2006, and May 10, 2006, one company and 14 companies, respectively, filed a letter with the Department indicating they had no shipments during the POR. On June 5, 2006, in response to the Department's May 22, 2006, letter, eight more companies filed letters indicating they had no shipments of subject merchandise during the POR for a total of 44 responses (including statements of no shipments) to the Department's Q&V questionnaire.[1]

Respondents

Of the 163 named firms for which the Department initiated an administrative review, nine companies/corporate groupings (which consisted of sixteen individually initiated companies, some of which are affiliated, yielding nine potential respondents) had both an active request for review, an appropriately submitted Q&V questionnaire response, and shipments of subject merchandise. Thus, nine companies/corporate groupings were considered in the selection of respondents for this review. On June 16, 2006, the Department selected Meizhou, Red Garden, and Yelin Enterprise Co. Hong Kong and its affiliates (collectively ''Yelin'') as mandatory respondents. *See* Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, from James C. Doyle, Office Director, Office 9, AD/CVD Operations, Import Administration, regarding *Antidumping Duty Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Selection of Respondents* (June 16, 2006).

The Department sent its antidumping questionnaire to Meizhou, Red Garden, and Yelin on June 20, 2006. In the questionnaire, the Department requested that the three firms provide a response to section A of the Department's questionnaire by July 11, 2006, and sections C and D of the questionnaire by July 27, 2006.

On July 6, 2006, the Ad Hoc Shrimp Trade Action Committee withdrew its request for an administrative review of the following 36 companies: Beihai Zhengwu Industry Co., Ltd.; Chaoyang Qiaofeng Group Co., Ltd. (Shantou Qiaofeng (Group) Co., Ltd.) (Shantou/ Chaoyang Qiaofeng); Chengai Nichi Lan Foods Co., Ltd.; Citic Heavy Machinery; Dalian Ftz Sea-Rich International Trading Co., Ltd.; Dongri Aquatic Products Freezing Plants; Fuqing Dongwei Aquatic Products Industry Co. Ltd.; Gallant Ocean (Liangjiang) Co. Ltd.; Hainan Fruit Vegetable Food Allocation Co., Ltd.; Hainan Golden Spring Foods Co., Ltd/Hainan Brich Aquatic Products Co., Ltd.; Jinfu Trading Co., Ltd.; Kaifeng Ocean Sky Industry Co., Ltd.; Leizhou Zhulian Frozen Food Co., Ltd.; Pingyang Xinye Aquatic Products Co. Ltd.; Savvy Seafood Inc.; Shanghai Taoen International Trading Co., Ltd.; Shantou Freezing Aquatic Product Food Stuff Co.; Shantou Jinhang Aquatic Industry Co., Ltd.; Shantou Jinyuan District Mingfeng Quick-Frozen Factory; Shantou Long Feng Foodstuffs Co., Ltd. (Shantou Longfeng Foodstuffs Co., Ltd.); Shantou Ruiyaun Industry Co., Ltd.; Shantou Shengping Oceanstar Business Co. Ltd.; Shantou Wanya Food Factory Co. Ltd.; Shantou Yuexing Enterprise Company; Xuwen Hailang Breeding Co., Ltd.; Yantai Wei-Cheng Food Co., Ltd.; Zhangjiang Bobogo Ocean Co., Ltd.; Zhangjiang Newpro Food Co., Ltd.; Zhanjiang Go-Harvest Aquatic Products Co., Ltd.; Zhanjiang Runhai Foods Co., Ltd.; Zhanjiang Universal Seafood Corp; Zhejiang Cereals, Oils, & Foodstuffs Import & Export Co., Ltd.; Zhoushan Cereals, Oils, and Foodstuffs Import and

[1] The following 44 companies/corporate groupings (*i.e.*, 52 individual firms) responded to the Department's Q&V questionnaire: Meizhou Aquatic Products Quick-Frozen Industry Co., Ltd., Shantou Red Garden Foodstuff/Shantou Red Garden Food Processing Co., Yelin Enterprise Co., Ltd. Hong Kong, Yangjiang City Yelin Hoitat Quick Frozen Seafood Co., Ltd., Shantou Yelin Frozen Seafood Co. Ltd., Fuqing Yihua Aquatic Products Co., Ltd., Savvy Seafood Inc., Hai Li Aquatic Co., Ltd. Zhao An, Fujian, Asian Seafoods (Zhanjiang) Co., Allied Pacific Aquatic Products (Zhangjiang) Co., Ltd. (''Allied Pacific (Zhanjiang)''), Allied Pacific (H.K.) Co. Ltd. (''Allied Pacific HK''), Zhanjiang Allied Pacific Aquaculture Co., Ltd., Allied Pacific Food (Dalian) Co. Ltd., King Royal Investments, Ltd. (collectively ''Allied Pacific''), Zhanjiang Evergreen Aquatic Product Science and Technology Co., Ltd., Zhoushan Huading Seafood Co., Ltd., Dalian FTZ Sea-Rich International Trading Co., Ltd., Beihai Zhengwu Industry Co., Ltd., Shantou Long Feng Foodstuffs Co., Shantou Yuexing Enterprise Company, Shantou Ruiyuan Industry Co., Ltd., Shantou Freezing Aquatic Product Food Stuffs Co., Shantou Ocean Freezing Industry and Trade General Corporation, Shantou Jinhang Aquatic Industry Co., Ltd., Dongri Aquatic Products Freezing Plants, Chaoyang Qiaofeng Group Co., Ltd. (Shantou Qiaofeng (Group) Co., Ltd.) (Shantou/ Chaoyang Qiaofeng)/Shantou City Qiaofeng Group, Shantou Wanya Food Factory Co., Ltd., Shantou Shengping Oceanstar Business Co., Ltd., Pingyang Xinye Aquatic Products Co., Ltd., Taizhou Zhonghuan Industrial Co., Ltd., Zhejiang Cereals, Oils & Foodstuff Import & Export Co., Ltd., Zhejiang Daishan Baofa Aquatic Products Co., Ltd., Zhejiang Evernew Seafood Co., Ltd., Zhejiang Zhenlong Foodstuffs Co., Ltd., Zhoushan Cereals, Oils, and Foodstuffs Import and Export Co., Ltd., Zhoushan Diciyuan Aquatic Products, Zhoushan Haichang Food Co., Zhoushan Industrial Co., Ltd., Zhoushan Putuo Huafa Sea Products Co., Ltd., Zhoushan Xifeng Aquatic Co., Ltd., Zhoushan Zhenyang Developing Co., Ltd., Zhoushan Guotai Fisheries Co., Ltd., Yanti Wei-Cheng Food Co., Ltd., Hainan Fruit Vegetable Food Allocation Co. Ltd., Zhanjiang Bobogo Ocean Co., Ltd., Baofa Aquatic Products Co., Ltd., Guangzhou Lingshan Aquatic Products Co. Ltd., Spectrum Plastics, Ruin Huasheng Aquatic Products, and Sealord North America. Two additional companies, Fuqing Minhua Trade Co., Ltd., and Ocean Duke Corporation, responded to the Department's Q&V questionnaire as affiliates of companies named in the *Initiation Notice*.

Export Co., Ltd.; Zhoushan Diciyuan Aquatic Products; Zhoushan Lizhou Fishery Co., Ltd.; and Zhoushan Xifeng Aquatic Co., Ltd.

In turn, on July 31, 2006, the Department issued a notice of partial rescission for the 36 above-referenced companies, as well as Polypro Plastics, for whom the Department initiated, in part, the first administrative review of certain frozen warmwater shrimp from the PRC. *See Certain Frozen Warmwater Shrimp from the People's Republic of China: Partial Rescission of the First Administrative Review*, 71 FR 43107 (July 31, 2006) (''*Rescission Notice*'').

On July 10, 2006, Meizhou submitted its response to section A of the Department's questionnaire. On July 11, 2006, Asian Seafoods submitted a voluntary response to section A of the Department's questionnaire.

On July 12, 2006, Zhanjiang Regal Integrated Marine Resources Co., Ltd. (''Zhanjiang Regal'') submitted a letter indicating it had only one POR shipment of subject merchandise which was already subject to a new shipper review. *See, e.g., Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Results of the Antidumping Duty New Shipper Review*, 71 FR 70362 (December 4, 2006) (''*Zhanjiang Regal New Shipper Final Results*'').

On July 17, 2006, counsel for Red Garden filed a letter, in lieu of its section A response, stating that it had decided not to answer the questionnaires in this administrative review. *See* Letter to the U.S. Department of Commerce, from Red Garden, regarding *Frozen Warmwater Shrimp from the People's Republic of China* (July 17, 2006) (''*Red Garden Withdrawal*''). Because Red Garden indicated that it did not intend to respond to the Department's questionnaires in this administrative review, we determined to individually review Asian Seafoods in its stead, pursuant to section 782(a) of the Tariff Act of 1930, as amended (''the Act''). *See* Memorandum to James C. Doyle, Director, Office 9, AD/CVD Operations, Office 9, through Christopher D. Riker, Program Manager, Office 9, AD/CVD Operations, Office 9, from Erin C. Begnal, Senior Case Analyst, AD/CVD Operations, Office 9, regarding *Antidumping Duty Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Selection of Additional Mandatory Respondent* (July 26, 2006).

On July 18, 2006, Yelin submitted its response to section A of the Department's questionnaire. On July 25, 2006, Zhanjiang Regal submitted a letter requesting the administrative review of the company's sales be rescinded as they were already subject to an ongoing new shipper review. On July 25, 2006, Hai Li responded to the Department's July 6, 2006, second supplemental questionnaire. On July 27, 2006, Asian Seafoods submitted its response to sections C and D of the Department's questionnaire.

On August 3, 2006, and September 5, 2006, the Department invited parties to submit comments on the selection of a surrogate country and to submit publicly available information for purposes of calculating normal value. *See* Letter to ''All Interested Parties'' from Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, regarding *2004/2006 Administrative and New Shipper Reviews of Certain Frozen Warmwater Shrimp from the People's Republic of China (''PRC'')* (August 3, 2006); *see also* Letter to ''All Interested Parties'' from Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, Import Administration, regarding *Antidumping Duty New Shipper and Administrative Reviews of Certain Frozen Warmwater Shrimp from the People's Republic of China (7/16/04–1/31/06)* (September 5, 2006) (collectively, ''*PAI/Surrogate Country Letters*'').

On August 10, 2006, Meizhou submitted its response to sections C and D of the Department's questionnaire. On August 11, 2006, the Department issued a supplemental section A questionnaire to Asian Seafoods and Yelin. On August 14, 2006, Yelin submitted its response to sections C and D of the Department's questionnaire.

On August 16, 2006, the Department issued a memorandum which indicated that data from CBP corroborated the statements of certain companies which reported making no shipments of subject merchandise during the POR. See Memorandum to the File, from Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, regarding *2004/2006 Administrative review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Intent to Rescind Administrative Review, in Part* (August 16, 2006) (''*Intent to Rescind Memo*''). Therefore, pursuant to 19 CFR 351.213(d)(3), the Department indicated that it intended to rescind this administrative review with respect to: Baofa Aquatic Products Co., Ltd.; Guangzhou Lingshan Aquatic Products; Ruian Huasheng Aquatic Products; Sealord North America; Shantou City Qiaofeng Group; Shantou Ocean Freezing Industry and Trade General Corporation; Spectrum Plastics; Taizhou Zhonghuan Industrial Co., Ltd.; Zhejiang Daishan Baofa Aquatic Products Co., Ltd.; Zhejiang Evernew Seafood Co., Ltd.; Zhejiang Zhenlong Foodstuffs Co., Ltd.; Zhoushan Guotai Aquatic Products Co., Ltd. (AKA Zhoushan Guotai Fisheries Co., Ltd.); Zhoushan Haichang Food Co.; Zhoushan Industrial Co., Ltd.; Zhoushan Putuo Huafa Sea Products Co., Ltd.; and Zhoushan Zhenyang Developing Co., Ltd. Yantai Xinlai Trade also submitted a letter of no shipments, on July 13, 2006, to the Department. As we found no information to contradict this statement, we intend to rescind the administrative review with respect to Yantai Xinlai Trade as well.

The Department also indicated that it was unable to directly serve certain companies with the *Q&V Follow-up Letter. Id.* The Department contacted petitioners in order to ascertain accurate addresses, but petitioners were unable to provide additional contact information. *See*, Letter to the Department of Commerce, from the Ad Hoc Shrimp Trade Action Committee, regarding *Certain Frozen Warmwater Shrimp from Brazil, China, Ecuador, India, Thailand, and Vietnam: Request for Administrative Reviews* (March 21, 2006). Therefore, the Department informed parties that it intended to rescind the review with respect to these companies, in accordance with our practice. *See, e.g.*, Certain Steel Concrete Reinforcing Bars from Turkey: Preliminary results and Partial Rescission of Antidumping Duty Administrative Review, 71 FR 26455, 26457 (May 5, 2006) (''*Rebar from Turkey*''). These companies were: Allied Pacific Food; Allied Pacific Aquatic Products (Zhongshan) Co., Ltd.; Dhin Foong Trdg; Dongri Aquatic Products Freezing Plants Shengping; Dongshan Xinhefa Food; Evergreen Aquatic Product Science and Technology; Formosa Plastics; Fuchang Trdg; Fuqing City Dongyi Trdg; Fuqing Dongyi Trading; Fuqing Fuchang Trading; Fuqing Longwei Aquatic Foodstuff; Fuqing Xuhu Aquatic Food Trdg; Gaomi Shenyuan Foodstuff; Guangxi Lian Chi Home Appliance Co; I T Logistics; Juxian Zhonglu Foodstuffs; Logistics Harbour Dock; Longwei Aquatic Foodstuff; Master International Logistics; Nichi Lan Food Co. Ltd. Chen Hai; P&T International Trading; Perfection Logistics Service; Phoenix Seafood; Putuo Fahua Aquatic Products Co., Ltd.; Qingdao Dayang Jian Foodstuffs; Qinhuangdao Jiangxin Aquatic Food; Seatrade International; Second Aquatic Food; Second Aquatic Foodstuffs Fty; Shandong Chengshun

Farm Produce Trd; Shandong Sanfod Group; Shantou Junyuan Pingyuan Foreign Trading; South Bay Intl; Taizhou Lingyang Aquatic Products Co., Ltd.; Tianhe Hardware & Rigging; Xiamen Sungiven Imports & Exports; Yantai Guangyuan Foods Co; Yantai Xuehai Foodstuffs; Yelin Frozen Seafood Co.; Zhanjiang CNF Sea Products Engineering Ltd; Zhanjiang Shunda Aquatic Products; Zhejiang Zhongda; Zhejiang Taizhou Lingyang Aquatic Products Co.; Zhoushan Guangzhou Aquatic Products Co., Ltd.; Zhoushan International Trade Co., Ltd.; Zhoushan Provisions & Oil Food Export and Import Co., Ltd.; Zhoushan Xi'an Aquatic Products Co., Ltd.; and ZJ CNF Sea Products Engineering Ltd. The Department was also unable to directly serve the following companies with the *Q&V Follow-up Letter*, which were not included in the *Intent to Rescind Memo:* Fuqing Chaohui Aquatic Food Co. Ltd., Fuqing Chaohui Aquatic Food Trdg., Hainan Jiadexin Aquatic Products Co., Ltd., Meizhou Aquatic Products,[2] Round the Ocean Logistics, Shantou Sez Xuhoa Fastness Freeze Aquatic Factory, Zhanjiang Fuchang Aquatic Products, and Zhanjiang Jebshin Seafood Limited. Despite further research, the Department was unable to ascertain viable address information for these companies. Therefore, the Department also intends to rescind the review with respect to these companies.

On August 16, 2006, Shantou City Qiaofeng Group submitted a letter indicating that it is the same company as Chaoyang Qiaofeng Group Co., Ltd., a company for which the Department rescinded the administrative review. *See Rescission Notice.*

On August 17, 2006, the Department issued a supplemental section A questionnaire to Meizhou.

On August 25, 2006, the Department extended the deadline for the preliminary results of review by 120 days, until February 28, 2007. *See Certain Frozen Warmwater Shrimp from Brazil, Ecuador, India, the Socialist Republic of Vietnam, the People's Republic of China, and Thailand: Notice of Extension of Time Limits for the Preliminary Results of the First Administrative Reviews and New Shipper Reviews*, 71 FR 50387 (August 25, 2006).

On September 1, 2006, Yelin and Asian Seafoods responded to the Department's supplemental section A questionnaires. On September 6, 2006, Meizhou submitted its response to the Department's supplemental section A questionnaire.

On September 14, 2006, the Ad Hoc Shrimp Trade Action Committee submitted criteria for invoking the multinational corporation (''MNC'') provision for Yelin, and on September 26, 2006, Yelin submitted a response.

On October 6, 2006, the Department issued a supplemental section C and D questionnaire response to Meizhou, and on October 12, 2006, the Department issued a supplemental questionnaire to Yelin. On October 26, 2006, the Department issued its second supplemental questionnaire to Asian Seafoods. On October 27, 2006, the Ad Hoc Shrimp Trade Action Committee responded to Yelin's September 26, 2006, MNC submission.

On November 1, 2006, the Department rejected Meizhou's October 27, 2006, questionnaire response pursuant to 19 CFR 351.304(b). The Department, however, provided Meizhou with an opportunity to correct the filing and to submit the requested information. On November 9, 2006, Yelin submitted its response to the Department's October 12, 2006, questionnaire. On November 6, 2006, Meizhou withdrew from the administrative review. *See* Letter to the U.S. Department of Commerce, from Meizhou, regarding *Certain Frozen Warmwater Shrimp from the People's Republic of China: Meizhou Aquatic Products Quick-Frozen Industry Co., Ltd., Shantou* (November 6, 2006) (''*Meizhou Withdrawal*''). On November 24, 2006, Asian Seafoods submitted its response to the Department's second supplemental questionnaire. On November 27, 2006, Hai Li submitted its response to the Department's third supplemental questionnaire dated November 3, 2006.

On November 30, 2006, Asian Seafoods, Allied Pacific, and Hai Li submitted publicly available information for use in the calculation of normal value in the administrative and new shipper reviews. Also, Yelin, on November 30, 2006, and the Ad Hoc Shrimp Trade Action Committee, on December 1, 2006, December 21, 2006, and January 19, 2007, submitted publicly available information for use in the calculation of normal value in the administrative review.

On December 1, 2006, and December 6, 2006, the Department issued its verification outlines to Asian Seafoods and Hai Li, respectively. The Department conducted verification of the responses of Asian Seafoods from December 8 through 10, 2006, and Hai Li from December 13 through 15, 2006. On December 8, 2006, Asian Seafoods submitted its minor corrections presented at the commencement of verification.

On December 13, 2006, the Department requested documentation supporting Zhanjiang Evergreen Aquatic Product Science and Technology Co., Ltd.'s (''Evergreen'') and Zhoushan Huading Seafood Co., Ltd.'s (''Huading'') April 28, 2006, separate rate certifications. On December 29, 2006, Evergreen submitted its separate rate supporting documentation.

On January 8, 2007, the Department issued a verification outline to Yelin, Fuqing Yihua Aquatic Products Co., Ltd. (''Fuqing Yihua''), and Ocean Duke Corporation (''Ocean Duke''), affiliates of Yelin. The Department conducted verification of Yelin's responses from January 15 through 16, 2007, at Fuqing Yihua, from January 22 through 23, 2007, at Yelin, and from January 25 through 26, 2007, at Ocean Duke. On January 11, 2007, the Department issued a verification outline to Huading, and began verification of its separate rate responses on January 18, 2007. *See* Memorandum to the File, through Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from Erin Begnal, Trade Compliance Analysts, AD/CVD Operations, Office 9, regarding *Verification of the Sales and Factors Response of Zhoushan Huading Seafood Co., Ltd. in the Antidumping Duty Administrative Review of Frozen Warmwater Shrimp From the People's Republic of China* (February 28, 2007). However, on January 18, 2007, Huading withdrew from verification and the administrative review.

On January 23, 2007, the Department published a correction to the scope of the order in which it clarified that the scope does not cover warmwater shrimp in non-frozen form. *See Certain Frozen Warmwater Shrimp from Brazil, Ecuador, India, Thailand, the People's Republic of China and the Socialist Republic of Vietnam; Amended Orders*, 72 FR 2857 (Jan. 23, 2007). On February 13, 2006, the Department issued a separate rate supplemental questionnaire to Evergreen. On February 20, 2007, Evergreen submitted its response to the Department's separate rate supplemental questionnaire.

On February 28, 2007, the Department released the verification reports for Asian Seafoods, Hai Li, Zhoushan Huading and Yelin and its affiliates

[2] On August 18, 2006, the Department was informed by Meizhou that it was doing business as Meizhou Aquatic Products, Meizhou Aquatic, and Meizhou Aquatic Products Quick-Frozen Industry Co., Ltd., and that the companies were one-and-the-same. *See* Letter to the Department, from Meizhou, regarding *Certain Frozen Warmwater Shrimp from the Peoples Republic of China (PRC)* (August 18, 2006). However, because Meizhou withdrew from the administrative review, Meizhou did not substantiate that these companies were the same entity. Therefore, the Department considers these three companies to be independent entities.

Fuqing Yihua Aquatic Food Co., Ltd. and Ocean Duke Corporation. *See* Memorandum to the File, through Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from Scot T. Fullerton and Prentiss Lee Smith, Trade Compliance Analysts, AD/CVD Operations, Office 9, regarding *Verification of the Sales and Factors Response of Asian Seafoods (Zhanjiang) Co., Ltd. in the Antidumping Duty Administrative Review of Certain Frozen Warmwater Shrimp From the People's Republic of China* (February 28, 2007) (''Asian Seafoods Verification Report''); Memorandum to the File, through Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from Scot T. Fullerton and Prentiss Lee Smith, Trade Compliance Analysts, AD/CVD Operations, Office 9, regarding *Verification of the Sales and Factors Response of Hai Li Aquatic Co., Ltd. in the Antidumping Duty New Shipper Review of Certain Frozen Warmwater Shrimp From the People's Republic of China* (February 28, 2007) (''Hai Li Verification Report''); Memorandum to the File, from Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, and Erin C. Begnal, Senior International Trade Analyst, AD/CVD Operations, Office 9, regarding *Verification of the Separate Rate Certification of Zhoushan Huading Seafood Co., Ltd. in the 2004/2006 Administrative Review of the Antidumping Duty Order of Certain Frozen Warmwater Shrimp from the People's Republic of China* (February 28, 2007) (''Huading Verification Report''); *see also* Memorandum to the File, from Christopher D. Riker, Program Manager, Office 9, and Erin Begnal, Senior International Trade Compliance Analyst, Office 9, regarding *Verification of the Questionnaire Responses of Yelin Enterprise Co., Ltd., Hong Kong in the Antidumping Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China* (February 28, 2007); Memorandum to the File, from Christopher D. Riker, Program Manager, Office 9, and Erin Begnal, Senior International Trade Compliance Analyst, Office 9, regarding *Verification of the Factors of Production Responses of Fuqing Yihua Aquatic Products Co., Ltd., in the Antidumping Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China* (February 28, 2007); Memorandum to the File, from Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, and Erin Begnal, Senior International Trade Compliance Analyst, AD/CVD Operations, Office 9 regarding *Verification of the Sales Response of Ocean Duke Corporation in the Antidumping Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China* (February 28, 2007) (collectively, ''Yelin Group Verification Reports'').

Surrogate Country and Factors

As previously stated, on August 3, 2006, and September 5, 2006, the Department provided parties an opportunity to submit publicly available information (''PAI'') on surrogate countries and values for consideration in these preliminary results. As previously indicated, the Department received comments on November 30, 2006, December 1, 2006, December 21, 2006, and January 19, 2007.

Scope of the Order

The scope of this order includes certain frozen warmwater shrimp and prawns, whether wild caught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-on or tail-off,[3] deveined or not deveined, cooked or raw, or otherwise processed in frozen form.

The frozen warmwater shrimp and prawn products included in the scope of this investigation, regardless of definitions in the Harmonized Tariff Schedule of the United States (''HTS''), are products which are processed from warmwater shrimp and prawns through freezing and which are sold in any count size.

The products described above may be processed from any species of warmwater shrimp and prawns. Warmwater shrimp and prawns are generally classified in, but are not limited to, the *Penaeidae* family. Some examples of the farmed and wild caught warmwater species include, but are not limited to, white-leg shrimp (*Penaeus vannemei*), banana prawn (*Penaeus merguiensis*), fleshy prawn (*Penaeus chinensis*), giant river prawn (*Macrobrachium rosenbergii*), giant tiger prawn (*Penaeus monodon*), redspotted shrimp (*Penaeus brasiliensis*), southern brown shrimp (*Penaeus subtilis*), southern pink shrimp (*Penaeus notialis*), southern rough shrimp (*Trachypenaeus curvirostris*), southern white shrimp (*Penaeus schmitti*), blue shrimp (*Penaeus stylirostris*), western white shrimp (*Penaeus occidentalis*), and Indian white prawn (*Penaeus indicus*).

Frozen shrimp and prawns that are packed with marinade, spices or sauce are included in the scope of this investigation. In addition, food preparations, which are not ''prepared meals,'' that contain more than 20 percent by weight of shrimp or prawn are also included in the scope of this investigation.

Excluded from the scope are: (1) Breaded shrimp and prawns (HTS subheading 1605.20.10.20); (2) shrimp and prawns generally classified in the *Pandalidae* family and commonly referred to as coldwater shrimp, in any state of processing; (3) fresh shrimp and prawns whether shell-on or peeled (HTS subheadings 0306.23.00.20 and 0306.23.00.40); (4) shrimp and prawns in prepared meals (HTS subheading 1605.20.05.10); (5) dried shrimp and prawns; (6) Lee Kum Kee's shrimp sauce; (7) canned warmwater shrimp and prawns (HTS subheading 1605.20.10.40); (8) certain dusted shrimp; and (9) certain battered shrimp. Dusted shrimp is a shrimp based product: (1) That is produced from fresh (or thawed-from-frozen) and peeled shrimp; (2) to which a ''dusting'' layer of rice or wheat flour of at least 95 percent purity has been applied; (3) with the entire surface of the shrimp flesh thoroughly and evenly coated with the flour; (4) with the non-shrimp content of the end product constituting between four and 10 percent of the product's total weight after being dusted, but prior to being frozen; and (5) that is subjected to individually quick frozen (''IQF'') freezing immediately after application of the dusting layer. Battered shrimp is a shrimp-based product that, when dusted in accordance with the definition of dusting above, is coated with a wet viscous layer containing egg and/or milk, and par-fried.

The products covered by this investigation are currently classified under the following HTS subheadings: 0306.13.00.03, 0306.13.00.06, 0306.13.00.09, 0306.13.00.12, 0306.13.00.15, 0306.13.00.18, 0306.13.00.21, 0306.13.00.24, 0306.13.00.27, 0306.13.00.40, 1605.20.10.10, and 1605.20.10.30. These HTS subheadings are provided for convenience and for customs purposes only and are not dispositive, but rather the written description of the scope of this investigation is dispositive.

Verification

On July 17, 2006, the Ad Hoc Shrimp Trade Action Committee requested that the Department conduct verification of the data submitted by all of the firms for which the Department initiated an administrative review, as well as Hai Li. However, due to the Department's

[3] Tails in this context means the tail fan, which includes the telson and the uropods.

resource constraints in conducting these reviews, we only selected Asian Seafoods, Hai Li, Yelin, and Huading for verification, pursuant to section 782(i)(2) of the Act and 19 CFR 351.307.

For the administrative and new shipper review respondents that we did verify, we used standard verification procedures, including on site inspection of the manufacturers' and exporters' facilities, and examination of relevant sales and financial records. Our verification results are outlined in the verification report for each company. For a further discussion, *see* the Asian Seafoods Verification Report, the Hai Li Verification Report, the Yelin Group Verification Reports, and the Huading Verification Report.

Preliminary Partial Rescission of 2004/2006 Administrative Review

Several companies indicated they did not export certain frozen warmwater shrimp to the United States during the POR. In order to corroborate these submissions, we reviewed PRC certain frozen warmwater shrimp shipment data maintained by CBP, and found no discrepancies with the statements made by these firms.

Therefore, for the reasons mentioned above, we are preliminarily rescinding the administrative review with respect to: Baofa Aquatic Products Co., Ltd.; Guangzhou Lingshan Aquatic Products; Ruian Huasheng Aquatic Products; Sealord North America; Shantou Ocean Freezing Industry and Trade General Corporation; Spectrum Plastics; Taizhou Zhonghuan Industrial Co., Ltd.; Yantai Xinlai Trade; Zhejiang Daishan Baofa Aquatic Products Co., Ltd.; Zhejiang Evernew Seafood Co., Ltd.; Zhejiang Zhenlong Foodstuffs Co., Ltd.; Zhoushan Guotai Aquatic Products Co., Ltd. (AKA Zhoushan Guotai Fisheries Co., Ltd.); Zhoushan Haichang Food Co.; Zhoushan Industrial Co., Ltd.; Zhoushan Putuo Huafa Sea Products Co., Ltd.; and Zhoushan Zhenyang Developing Co., Ltd. because each reported having made no shipments of subject merchandise during the POR, and the Department found no information to indicate otherwise.

The Department is also preliminarily rescinding the administrative review with respect to: Allied Pacific Food; Allied Pacific Aquatic Products (Zhongshan) Co., Ltd.;[4] Dhin Foong Trdg; Dongri Aquatic Products Freezing Plants Shengping; Dongshan Xinhefa Food; Evergreen Aquatic Product Science and Technology; Formosa Plastics; Fuchang Trdg; Fuqing City Dongyi Trdg; Fuqing Chaohui Aquatic Food Co. Ltd., Fuqing Chaohui Aquatic Food Trdg.; Fuqing Dongyi Trading; Fuqing Fuchang Trading; Fuqing Longwei Aquatic Foodstuff; Fuqing Xuhu Aqautic Food Trdg; Gaomi Shenyuan Foodstuff; Guangxi Lian Chi Home Appliance Co; Hainan Jiadexin Aquatic Products Co., Ltd.; I T Logistics; Juxian Zhonglu Foodstuffs; Logistics Harbour Dock; Longwei Aquatic Foodstuff; Master International Logistics; Meizhou Aquatic Products; Nichi Lan Food Co. Ltd. Chen Hai; P&T International Trading; Perfection Logistics Service; Phoenix Seafood; Putuo Fahua Aquatic Products Co., Ltd.; Qingdao Dayang Jian Foodstuffs; Qinhuangdao Jiangxin Aquatic Food; Round the Ocean Logistics; Seatrade International; Second Aquatic Food; Second Aquatic Foodstuffs Fty; Shandong Chengshun Farm Produce Trd; Shandong Sanfod Group; Shantou Junyuan Pingyuan Foreign Trading; Shantou Sez Xuhoa Fastness Freeze Aquatic Factory; South Bay Intl; Taizhou Lingyang Aquatic Products Co., Ltd.; Tianhe Hardware & Rigging; Xiamen Sungiven Imports & Exports; Yantai Guangyuan Foods Co; Yantai Xuehai Foodstuffs; Yelin Frozen Seafood Co.; Zhanjiang CNF Sea Products Engineering Ltd; Zhanjiang Fuchang Aquatic Products; Zhanjiang Jebshin Seafood Limited; Zhanjiang Shunda Aquatic Products; Zhejiang Zhongda; Zhejiang Taizhou Lingyang Aquatic Products Co.; Zhoushan Guangzhou Aquatic Products Co., Ltd.; Zhoushan International Trade Co., Ltd.; Zhoushan Provisions & Oil Food Export and Import Co., Ltd.; Zhoushan Xi'an Aquatic Products Co., Ltd.; and ZJ CNF Sea Products Engineering Ltd. because the Department was unable to directly serve these companies with the *Q&V Follow-up Letter.* Therefore, the Department is rescinding the review with respect to these companies, in accordance with our practice. *See Rebar from Turkey.*

Additionally, consistent with section 351.214(j) of the Department's regulations, the Department is rescinding the administrative review of Zhanjiang Regal because the Department has already reviewed all of the company's sales which were made during the POR in the context of a new shipper review. *See Zhanjiang Regal New Shipper Final Results.* Furthermore, the Department is rescinding the administrative review of Shantou City Qiaofeng Group as this is the same company, but with a different name, as a company for which the administrative review has already been rescinded (*i.e.*, Chaoyang Qiaofeng Group Co., Ltd.). *See* Memorandum to the File, through Christopher D. Riker, Program Manager, AD/CVD Enforcement, Office 9, from Michael Quigley, Case Analyst, AD/CVD Enforcement, Office 9, regarding *2004/2006 Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Shantou City Qiaofeng Group* (August 16, 2006).

Bona Fide Sale Analysis—Hai Li & Asian Seafoods

For the reasons stated below, we preliminarily find that Hai Li's reported U.S. sale during the POR does not appear to be a *bona fide sale*, based on the totality of the facts on the record. *See, e.g., Glycine From The People's Republic of China: Rescission of Antidumping Duty New Shipper Review of Hebei New Donghua Amino Acid Co., Ltd.*, 69 FR 47405, 47406 (August 5, 2004). Specifically, we find that: (1) The difference in the sales price of Hai Li's single POR sale as compared to the average unit value of suspended entries derived from CBP data; (2) the involvement of unaffiliated parties in Hai Li's single POR sale; (3) irregularities relating to packing materials, and finally, (4) other indicia of a non-*bona fide* transaction, all demonstrate that the single sale under review was not bona fide. Therefore, this sale does not provide a reasonable or reliable basis for calculating a dumping margin.

Additionally, for the reasons stated below, we preliminarily find that Asian Seafood's reported U.S. sale during the POR does not appear to be a *bona fide* sale, based on the totality of the facts on the record. *See, e.g., Glycine From The People's Republic of China: Rescission of Antidumping Duty New Shipper Review of Hebei New Donghua Amino Acid Co., Ltd.*, 69 FR 47405, 47406 (August 5, 2004). Specifically, we find that: (1) The difference in the sales price of Asian Seafoods' single POR sale as compared to the prices of its subsequent sales and the average unit value of suspended entries derived from CBP data; (2) irregularities relating to its customer correspondence; (3) atypical terms for the POR sale, and finally; (4) other indicia of a non-bona fide transaction, all demonstrate that the single sale under review was not *bona fide.* Therefore, this sale does not provide a reasonable or reliable basis for calculating a dumping margin.

For the reasons mentioned above, the Department preliminarily finds that Hai Li's and Asian Seafood's single U.S. sales during the POR were not *bona fide*

[4] Allied Pacific Group indicated this company is no longer operational, and also made no shipments of subject merchandise during the POR.

commercial transactions and is preliminarily rescinding the new shipper review of Hai Li, and the administrative review of Asian Seafoods. For a more detailed analysis, *see* Memorandum to James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, through Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from P. Lee Smith, Case Analyst, AD/CVD Operations, Office 9, and Scot Fullerton, Case Analyst, AD/CVD Operations, Office 9 and regarding *Bona Fides Analysis and Intent to Rescind New Shipper Review of Certain Frozen Warmwater Shrimp from the People's Republic of China for Hai Li Aquatic Co., Ltd. Zhao An, Fujian* (February 28, 2007), and Memorandum to James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, through Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from Scot Fullerton, Case Analyst, AD/CVD Operations, Office 9, regarding *Bona Fides Analysis and Intent to Rescind New Shipper Review of Certain Frozen Warmwater Shrimp from the People's Republic of China for Asian Seafoods* (February 28, 2007).

Non-Market Economy Country

In every case conducted by the Department involving the PRC, the PRC has been treated as a non-market economy (''NME'') country. *See*, *e.g.*, *Honey from the People's Republic of China: Final Results and Final Rescission, in Part, of Antidumping Duty Administrative Review*, 71 FR 34893 (June 16. 2006). Pursuant to section 771(18)(C)(i) of the Act, any determination that a foreign country is a NME country shall remain in effect until revoked by the administering authority. *See*, *e.g.*, *Freshwater Crawfish Tail Meat from the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review*, 71 FR 7013 (February 10, 2006); and *Carbazole Violet Pigment 23 from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Rescission in Part*, 71 FR 65073, 65074 (November 7, 2006). None of the parties to this proceeding have contested such treatment. Accordingly, we calculated NV in accordance with section 773(c) of the Act, which applies to NME countries.

Surrogate Country

Section 773(c)(4) of the Act requires the Department to value an NME producer's factors of production, to the extent possible, in one or more market-economy countries that (1) are at a level of economic development comparable to that of the NME country, and (2) are significant producers of comparable merchandise. India and Indonesia are among the countries comparable to the PRC in terms of overall economic development. *See PAI/Surrogate Country Letters.* In addition, based on publicly available information placed on the record (*e.g.*, production data), India and Indonesia are significant producers of the subject merchandise. *See* Memorandum to The File, through James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, and Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from Michael J. Quigley, Case Analyst, AD/CVD Operations, Office 9, from Michael J. Quigley, Case Analyst, AD/CVD Operations, Office 9, regarding *Antidumping Duty Administrative and New Shipper Reviews of Certain Frozen Warmwater Shrimp from the People's Republic of China: Selection of a Surrogate Country* (February 28, 2007). Accordingly, we have selected India as the primary surrogate country, and Indonesia as a secondary surrogate where applicable, for purposes of valuing the factors of production because they meet the Department's criteria for surrogate-country selection. *See Id.*

Facts Available

For the reasons outlined below, we have applied total adverse facts available to: Ammon International; Aquatic Foodstuffs FTY; Dafu Foods Industry; Dalian Shanhai Seafood; Dalian Shan Li Food; Fuchang Aquatic Products; Gallant Ocean International; Gallant Seafoods; Go Harvest Aquatic Products; Guolian Aquatic Products; Hainan Jiadexin Foodstuff; Jinhang Aquatic Industry; Laiyang Hengrun Foodstuff; Laiyang Luhua Foodstuffs; Longsheng Aquatic Product; Luk Ka Paper Industry; Marnex; Meizhou Aquatic; Meizhou; North Supreme Seafood (Zhejiang) Co., Ltd.; Ocean Freezing Industry & Trade General; Power Dekor Group Co., Ltd.; Red Garden; Red Garden Food, Red Garden Foodstuff, Rongcheng Tongda Aquatic Food; Shanghai Linghai Fisheries Economic and Trading Co.; Shantou Longshen Aquatic Product; Silvertie Holding; The Second Aquatic food; Weifang Taihua Food; Weifang Yongqiang Food Ind; Wenling Xingdi Aquatic Products; Zhejiang Xintianjiu Sea Products Co., Ltd.; Zhejiang Xingyang Import & Export; Zhenjaing Evergreen Aquatic Products Science and Technology Co., Ltd.; Zhoushan Jingzhou Aquatic Products Co., Ltd.; and Huading.

In the *Initiation Notice*, the Department established the deadline for Q&V questionnaire responses (*i.e.*, April 28, 2006). However, the Department did not receive responses from: Ammon International; Aquatic Foodstuffs FTY; Dafu Foods Industry; Dalian Shanhai Seafood; Dalian Shan Li Food; Fuchang Aquatic Products; Gallant Ocean International; Gallant Seafoods; Go Harvest Aquatic Products; Guolian Aquatic Products; Hainan Jiadexin Foodstuff; Jinhang Aquatic Industry; Laiyang Hengrun Foodstuff; Laiyang Luhua Foodstuffs; Longshen Aquatic Product; Luk Ka Paper Industry; Marnex; Meizhou Aquatic; North Supreme Seafood (Zhejiang) Co., Ltd.; Ocean Freezing Industry & Trade General; Power Dekor Group Co., Ltd.; Red Garden Food; Red Garden Foodstuff; Rongcheng Tongda Aquatic Food; Shanghai Linghai Fisheries Economic and Trading Co.; Shantou Longshen Aquatic Product; Silvertie Holding; The Second Aquatic Food; Weifang Taihua Food; Weifang Yongqiang Food Ind; Wenling Xingdi Aquatic Products; Zhejiang Xintianjiu Sea Products Co., Ltd.; Zhejiang Xingyang Import & Export; Zhenjaing Evergreen Aquatic Products Science and Technology Co., Ltd.; and Zhoushan Jingzhou Aquatic Products Co., Ltd. The Department sent a *Q&V Follow-up Letter* to each of the above-referenced firms. *See Q&V Follow-up Letter, see also Intent to Rescind Memo.* Although each of the above-referenced companies received the letter, which included the Q&V questionnaire, they did not reply to the Department.[5]

By not responding to the Department's Q&V questionnaire, the above-referenced companies failed to provide critical information to be used for the Department's respondent selection process. Pursuant to sections 776(a) and (b) of the Act, the Department may apply adverse facts available if it finds a respondent has failed to cooperate by not acting to the best of its ability to comply with a request for information from the Department. By failing to respond to the Department's Q&V questionnaire, the above-referenced companies have failed to act to the best of their ability in this segment of the proceeding.

In addition, because the above-referenced companies did not submit a separate rate application or certification, the Department was unable to determine whether or not they qualified for a

[5] Laiyang Luhua Foodstuffs refused to accept the *Q&V Follow-up Letter. See Id.*

separate rate. Therefore, they are not eligible to receive a separate rate and will be part of the PRC-wide entity, subject to the PRC-wide rate. Pursuant to section 776(b) of the Act, we have applied total adverse facts available with respect to the PRC-wide entity, including, among others, the above-referenced companies.

For the reasons outlined below, we have applied total adverse facts available to Red Garden, Meizhou, and Huading. Section 776(a)(2) of the Act provides that, if an interested party: (A) Withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested subject to sections 782(c)(1) and (e) of the Act; (C) significantly impedes a proceeding under the antidumping statute; or (D) provides such information but the information cannot be verified, the Department shall, subject to section 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

On July 17, 2006, Red Garden submitted a letter to the Department indicating it would not comply with the Department's requests for information. *See Red Garden Withdrawal.* Additionally, on November 6, 2006, Meizhou submitted a letter indicating it would no longer cooperate with the Department in the administrative review. *See Meizhou Withdrawal.* On January 18, 2007, Huading also withdrew from the administrative review. *See* Letter to the U.S. Department of Commerce, from Huading, regarding *Certain Frozen Warmwater Shrimp from the People's Republic of China: Zhoushan Huading Seafood Co., Ltd.* (November 6, 2006).

As noted above, Red Garden, Meizhou, and Huading submitted letters to the Department withdrawing their participation from the administrative review, in lieu of responding to a request for information. By not responding to the Department's request for information, Red Garden, Meizhou, and Huading failed to provide critical information to be used for the Department's margin calculation, significantly impeded the review, and provided unverifiable information. *See* Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, from James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, regarding *Certain Frozen Warmwater Shrimp from the People's Republic of China: Preliminary Application of Adverse Facts Available to Shantou Red Garden Foodstuff/Shantou Red Garden Food Processing Co.*, (February 28, 2007) and Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, from James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, regarding Certain Frozen Warmwater Shrimp from the People's Republic of China: Preliminary Application of Adverse Facts Available to Meizhou Aquatic Products Quick-Frozen Industry Co. Ltd. Shantou, (February 28, 2007) for further discussion on the application of adverse facts available to Red Garden and Meizhou; see also Memorandum to the File, from Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, Import Administration, regarding *Certain Frozen Warmwater Shrimp from the People's Republic of China: Zhoushan Huading Seafood Co., Ltd. Analysis for the Preliminary Results of the Administrative Review* (February 28, 2007) (''Huading Analysis Memorandum''). Therefore, pursuant to sections 776(a)(2)(A), (C), and (D) of the Act, the Department must apply facts available.

By failing to respond to the Department's requests for information and by not allowing the Department to conduct verification, Red Garden, Meizhou, and Huading, respectively, have not proven they are free of government control and are therefore not eligible to receive a separate rate. In the *Initiation Notice*, the Department stated that if one of the companies on which we initiated a review does not qualify for a separate rate, all other exporters of frozen warmwater shrimp from the PRC who have not qualified for a separate rate are deemed to be covered by this review as part of the single PRC-wide entity of which the named exporter is a part. *See Initiation Notice* at n.1. For these preliminary results, Red Garden, Meizhou, and Huading will be part of the PRC-wide entity, subject to the PRC-wide rate.

According to section 776(b) of the Act, 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 the 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 Uruguay Round Agreements Act (''URAA''), H.R. Rep. No. 103–316 at 870 (1994).

As explained above, the PRC-wide entity (including Red Garden, Meizhou, and Huading) would either not permit the Department to verify information placed on the record or informed the Department that it would not participate further in this review and did not respond to the Department's requests for information. Therefore, the PRC-wide entity did not cooperate to the best of its ability. Because the PRC-wide entity did not cooperate to the best of its ability in the proceeding, the Department finds it necessary, pursuant to sections 776(a)(2)(D) and 776(b) of the Act, to use adverse facts available (''AFA'') as the basis for these preliminary results of review for the PRC-wide entity.

In this segment of the proceeding, in accordance with Department practice (*see, e.g., Brake Rotors from the People's Republic of China: Rescission of Second New Shipper Review and Final Results and Partial Rescission of First Antidumping Duty Administrative Review*, 64 FR 61581, 61584 (November 12, 1999), as adverse facts available, we have assigned to exports of the subject merchandise by the above referenced companies a rate of 112.81 percent, which is the rate established for the PRC-wide entity in the LTFV investigation.

However, as discussed in the Huading Analysis Memorandum, because Huading terminated verification and we found reimbursement of antidumping duties, it is appropriate to assign Zhoushan Huading a rate inclusive of the PRC-wide entity rate and the reimbursement adjustment. See Huading Analysis Memorandum. This is consistent with the Department's past practice. *See, e.g.*, 19 CFR 351.402, *see also*, *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the First Administrative Review*, 71 FR 14170 (March 21, 2006).

Therefore, in accordance with our regulations and past practice, in this unique situation in which the Department found evidence of reimbursement at verification, the cash deposit rate assigned to Huading for these preliminary results is double that of the PRC-wide entity, or 225.62 percent. See Huading Analysis Memorandum.

Corroboration of Facts Available

Section 776(c) of the Act requires that the Department corroborate, to the extent practicable, a figure which it applies as facts available. To be considered corroborated, information must be found to be both reliable and relevant. We are applying as AFA the highest rate from any segment of this administrative proceeding, which is the rate currently applicable to all exporters subject to the PRC-wide rate. The AFA

rate in the current review (*i.e.*, the PRC-wide rate of 112.81 percent) represents the highest rate from the petition in the LTFV investigation. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp From the People's Republic of China*, 70 FR 5149 (February 1, 2005).

For purposes of corroboration, the Department will consider whether that margin is both reliable and relevant. The AFA rate we are applying for the current review was corroborated in the LTFV investigation. See, *e.g.*, Notice of Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp From the People's Republic of China, 69 FR 70997 (December 8, 2004). No information has been presented in the current review that calls into question the reliability of this information.

With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Where circumstances indicate that the selected margin is not appropriate as AFA, the Department will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico; Final Results of Antidumping Administrative Review,* 61 FR 6812, 6814 (February 22, 1996), the Department disregarded the highest margin in that case as adverse best information available (the predecessor to facts available) because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin. The information used in calculating this margin was based on sales and production data submitted by the petitioner in the LTFV investigation, together with the most appropriate surrogate value information available to the Department chosen from submissions by the parties in the LTFV investigation, as well as information gathered by the Department itself. Furthermore, the calculation of this margin was subject to comment from interested parties in the proceeding. Moreover, there were no previous reviews of this antidumping duty order. As there is no information on the record of this review that demonstrates that this rate is not appropriately used as AFA, we determine that this rate has relevance.

As the 112.81 percent rate is both reliable and relevant, we determine that it has probative value. Accordingly, we determine that the calculated rate of 112.81 percent, which is the current PRC-wide rate, is in accord with the requirement of section 776(c) that secondary information be corroborated to the extent practicable (*i.e.*, that it have probative value). We have assigned this AFA rate to exports of the subject merchandise by the PRC-wide entity.

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 (*i.e.*, a PRC-wide rate).

Of the 163 companies initiated upon, 16 companies filed separate rate certifications or applications. Allied Pacific Group (*i.e.*, Allied Pacific Food (Dalian) Co., Ltd. and its affiliates, Allied Pacific Aquatic Products (Zhanjiang) Co., Ltd., Zhanjiang Allied Pacific Aquaculture Co., Ltd., Allied Pacific (H.K.) Co., Ltd., and King Royal Investments Ltd.), Red Garden, Yelin and its affiliates (*i.e.*, Yangjiang City Yelin Hoitat Quick Frozen Seafood Co., Ltd., Shantou Yelin Frozen Seafood Co., Ltd., Fuqing Yihua Aquatic Food Co., Ltd., Fuqing Minhua Trade Co. Ltd.,[6] Asian Seafoods, Savvy Seafood Inc., Evergreen, Huading, Meizhou, and Hai Li each filed a separate rate certification or application. Because Petitioners withdrew its request for review of Savvy Seafoods Inc. (See Rescission Notice), and we rescinded the review, its separate rate status remains unchanged from the investigation.

Six of the companies listed above (*i.e.*, Zhanjiang Allied Pacific Aquaculture Co., Ltd.; Allied Pacific Food (Dalian) Co., Ltd.; King Royal Investments Ltd.; Yangjiang City Yelin Hoitat Quick Frozen Seafood Co., Ltd.; Shantou Yelin Frozen Seafood Co., Ltd.; and Fuqing Yihua Aquatic Food Co., Ltd. had no shipments or exports of subject merchandise to the United States during this POR and are therefore not eligible for a separate rate in this proceeding.

As referenced above, Red Garden, Meizhou, and Huading failed to establish that they qualify for a separate rate. *See* Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, from James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, regarding *Certain Frozen Warmwater Shrimp from the People's Republic of China: Preliminary Application of Adverse Facts Available to Red Garden*, (February 28, 2007), Memorandum to Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, from James C. Doyle, Director, AD/CVD Operations, Office 9, Import Administration, regarding *Certain Frozen Warmwater Shrimp from the People's Republic of China: Preliminary Application of Adverse Facts Available to Meizhou Aquatic Products Quick-Frozen Industry Co. Ltd.* Shantou, (February 28, 2007), and *Huading Analysis Memorandum.*

Further, as discussed above, because we are preliminarily rescinding the administrative review for Asian Seafoods, and the new shipper review for Hai Li, because their sales are not *bona fide,* they are ineligible for a separate rate.

Finally, although Fuqing Minhua Trade Co. Ltd. submitted a separate rate application, the company was not listed in the Department's notice of initiation of the administrative review. *See Initiation Notice.* As no review was requested of this entity, and the firm did not export subject merchandise to the United States, it is therefore not entitled to a separate rate. *See* Letter to the Department, from Yelin Enterprise Co., Ltd. Hong Kong, ant is affiliates, regarding *Yelin Group: Response to Section A–D Supplemental: First Administrative Review of Certain Frozen and Canned Warmwater Shrimp from China* (November 9, 2006).

The remaining respondents (*i.e.*, Yelin, Allied Pacific (Hong Kong), Allied Pacific (Zhanjiang), and Evergreen) are either entities wholly foreign owned and/or limited liability companies in the PRC. Thus, for these four respondents, a separate rates analysis is necessary to determine whether the export activities of each above-mentioned respondent is independent from government control. *See, e.g. 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) (''*Bicycles*''). To establish whether a firm is sufficiently independent in its export activities from government control to be entitled to a separate rate, the Department utilizes a test arising from the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China,* 56 FR 20588 (May 6, 1991) (''*Sparklers*''); *See also 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*''), where the Department adapted and amplified the separate rates

[6] Although Fuqing Minhua Trade Co. Ltd. submitted a separate rate application, the company was not listed in the Department's notice of initiation of the administrative review. See Initiation Notice. As no review was requested of this entity, and the firm is therefore not subject to the review, it is not entitled to a separate rate.

test set out in *Sparklers.* Under the separate-rates criteria, the Department assigns separate rates in NME cases only if the respondent can demonstrate the absence of both *de jure* and *de facto* governmental control over its export activities.

1. De Jure Control

Evidence supporting, though not requiring, a finding of de jure absence of government control over export activities includes: (1) An absence of restrictive stipulations associated with the 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. *See id.*

Yelin, Allied Pacific (Hong Kong), Allied Pacific (Zhanjiang), and Evergreen have each placed on the administrative record documents to demonstrate an absence of *de jure* control (*e.g.*, the 1994 ''Foreign Trade Law of the People's Republic of China,'' and the 1999 ''Company Law of the People's Republic of China'').

As in prior cases, we have analyzed the laws presented to us and have found them to establish sufficiently an absence of *de jure* control over joint ventures between the PRC and foreign companies, and limited liability companies in the PRC. *See, e.g., Final Determination of Sales at Less than Fair Value: Furfuryl Alcohol from the People's Republic of China,* 60 FR 22544 (May 8, 1995) (''*Furfuryl Alcohol*''); *Preliminary 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 29571 (June 5, 1995). We have no new information in this proceeding which would cause us to reconsider this determination with regard to Yelin, Allied Pacific (Hong Kong), Allied Pacific (Zhanjiang), and Evergreen.

2. De Facto Control

As stated in previous cases, there is 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; see also Furfuryl Alcohol.* Therefore, the Department has determined that an analysis of *de facto* control is critical in determining whether the respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

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 management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses. *See Silicon Carbide; see also Furfuryl Alcohol.*

Yelin, Allied Pacific (Hong Kong), Allied Pacific (Zhanjiang), and Evergreen have each asserted the following: (1) It establishes its own export prices; (2) it negotiates contracts without guidance from any governmental entities or organizations; (3) it makes its own personnel decisions; and (4) it retains the proceeds of its export sales, uses profits according to its business needs, and has the authority to sell its assets and to obtain loans. Additionally, each of these companies' questionnaire responses indicates that its pricing during the POR does not suggest coordination among exporters.

Consequently, we have preliminarily determined that Yelin, Allied Pacific (Hong Kong), Allied Pacific (Zhanjiang), and Evergreen have each met the criteria for the application of separate rates based on the documentation each of these respondents has submitted on the record of these reviews. *See* Memorandum to James C. Doyle, Director, AD/CVD Enforcement, Office 9, through Christopher D. Riker, Program Manager, AD/CVD Enforcement, Office 9, from Michael Quigley, Case Analyst, AD/CVD Enforcement, Office 9, regarding *2004/2006 Administrative Review of Certain Frozen Warmwater Shrimp from the People's Republic of China: Separate Rates Analysis for Respondents (Including Exporters Not Being Individually Reviewed)* (February 28, 2007).

Separate Rate Calculation

Based on timely requests from individual exporters and petitioners, the Department originally initiated this review with respect to 163 companies. During the course of the review, however, the Department employed a limited examination methodology, as it did not have the resources to examine all companies for which a review request was made. As stated previously, the Department selected three exporters, Yelin, Red Garden (which ultimately withdrew and was replaced by Asian Seafoods), and Meizhou (which also later withdrew) as mandatory respondents in this review. Three additional companies (Allied Pacific HK, Allied Pacific (Zhanjiang) and Evergreen) submitted timely information as requested by the Department and remain subject to review as cooperative separate rate respondents.

Yelin participated fully in this review and is receiving a preliminary antidumping duty rate of zero. As noted above, however, the mandatory respondents either withdrew from the administrative review (*i.e.*, Miezhou and Red Garden) or made a non *bona fide* transaction (*i.e.*, Asian Seafoods). As a result, these three entities are not entitled to a separate rate in this review and we are either rescinding the review of the company (*i.e.*, Asian Seafoods) or the company is being considered to be part of the PRC-wide entity (*i.e.*, Miezhou and Red Garden). As part of the PRC-wide entity, Meizhou and Red Garden are receiving a preliminary antidumping duty rate of 112.81 percent.

The Department must also assign a rate to the remaining three cooperative separate rate respondents not selected for individual examination. We note that the statute and the Department's regulations do not directly address the establishment of a rate to be applied to individual companies not selected for examination where the Department limited its examination in an administrative review pursuant to section 777(A)(c)(2) of the Act. The Department's practice in this regard, in cases involving limited selection based on exporters accounting for the largest volumes of trade, has been to weight-average the rates for the selected companies excluding zero and *de minimis* rates and rates based entirely on adverse facts available. In the instant review, however, the rates for the mandatory respondents include only a single zero rate and a rate for the PRC-wide entity based on total AFA.

While the statute does not specifically address this particular set of circumstances, section 735(c)(5)(B) of the Act does specify the methodology to be followed when a similar fact pattern arises in the context of the all-others rate established in an investigation. While not entirely analogous to the determination of a rate to be applied to responsive separate rate respondents in the context of a NME review, we find it to be instructive in these circumstances.

Section 735(c)(5)(B) of the Act states that in situations where the estimated weighted-average dumping margins established for all exporters and producers individually investigated are zero or *de minimis*, or are determined entirely under section 776 (facts available section), ''the administering authority may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated, including averaging the weighted-average dumping margins determined for the exporters and producers individually investigated.''

The Statement of Administrative Action (''SAA'') states that in using any reasonable method to calculate the all-others rate, ''the expected method in such cases will be to weight-average the zero and *de minimis* margins and margins determined pursuant to the facts available, provided that volume data is available.'' *See* SAA accompanying the Uruguay Round Agreements Act, H.Doc. 316, Vol. 1., 103rd Cong (1994) (SAA) at 203. However, the SAA also provides that: {I} this method is not feasible, or if it results in an average that would not be reasonably reflective of potential dumping margins for non-investigated exporters or producers, Commerce may use other reasonable means.'' *Id.*

In this case, because of the nature of the shrimp industry, the Department preliminarily concludes that it cannot accurately determine a margin based on information provided by the separate rate entities. Furthermore, we preliminarily find that we cannot employ such alternative methods as weight-averaging AFA, *de minimis* and zero rates or partial use of the information on the record. Specifically, while the separate rates entities have given us total volume and value information with respect to subject merchandise, we note that shrimp prices vary dramatically, principally due to count-size. Thus margins calculated on the basis of average prices without regard to count size and other factors do not reflect a meaningful, accurate comparison. Because the Department does not have comparable information with respect to the count sizes sold by the separate entities, we find we must look to other reasonable means to determine an appropriate margin for the separate rate entities subject to this review. In the case of Allied Pacific HK and Allied Pacific (Zhanjiang), we received voluntary questionnaire responses, but we have not examined these submissions because of the Department's resource constraints and its decision to review only three exporters.

The Department has therefore preliminarily determined to apply the margin calculated for cooperative separate rate respondents in the immediately preceding segment of this proceeding, *i.e.*, the margin of 53.68 percent assigned to such companies in the LTFV investigation. We believe this methodology constitutes a reasonable method by which to calculate such rate. The rate of 53.68 percent calculated in the LTFV was based on the Department's thorough examination of several cooperative companies accounting for a majority of exports during the period of investigation. We believe, therefore, that this rate is reflective of the range of commercial behavior demonstrated by exporters of the subject merchandise during a very recent period in time. Therefore, we find it a reasonable means by which to determine a rate for non-examined cooperative separate entities and have employed this methodology for purposes of these preliminary results.

Fair Value Comparisons

To determine whether sales of the subject merchandise by Yelin to the United States were made at prices below normal value (''NV''), we compared each company's constructed export prices (''CEPs'') to NV, as described in the ''Constructed Export Price'' and ''Normal Value'' sections of this notice, below.

Constructed Export Price

For Yelin, we used CEP methodology in accordance with section 772(b) of the Act for sales in which the subject merchandise was first sold in the United States before or after the date of importation by a seller affiliated with the producer or exporter to an unaffiliated purchaser in the United States. We made the following company-specific adjustments:

A. Yelin

We calculated CEP based on packed U.S. prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight, foreign brokerage and handling charges in the PRC, international ocean freight, in accordance with section 772(c) of the Act, as well as imputed inventory carrying costs, commissions, credit expenses, indirect selling expenses, and profit, in accordance with section 772(d) of the Act. For additional discussion on these, and other specifics pertaining to Yelin's margin calculation, *see* Memorandum to the File, through Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from Erin Begnal, Senior International Trade Compliance Analyst, AD/CVD Operations, Office 9, regarding *Certain Frozen Warmwater Shrimp From the People's Republic of China—Analysis Memorandum for the Preliminary Results of Administrative Review of Yelin Enterprise Co., Hong Kong* (February 28, 2007). Because some foreign inland freight and foreign brokerage and handling fees were provided by PRC service providers or paid for in renminbi, we based those charges on surrogate rates from India. *See* ''Surrogate Country'' section above for further discussion of our surrogate-country selection.

To value foreign brokerage and handling expenses, we used publicly summarized or ''ranged'' expense data submitted during the past year by Indian companies in connection with other antidumping duty administrative reviews conducted by the Department.[7]

In determining the most appropriate surrogate values to use in a given case, the Department's stated practice is to use investigation or review period-wide price averages, prices specific to the input in question, prices that are net of taxes and import duties, prices that are contemporaneous with the period of investigation or review, and publicly available data. The data we used for brokerage and handling expenses fulfill all of the foregoing criteria except that they are not specific to the subject merchandise: there is no information of that type on the record of this review.

We used a simple average of two companies' brokerage expense data in order to achieve a more representative value than a single source would provide. Both sources are of equal quality and are contemporaneous with the POR. See Bicycles, 61 FR at 19039 (on using a simple, as opposed to a weighted, average in the calculation of financial ratios).

[7] We used data from the public version of the February 28, 2005, section C response of Essar Steel Limited in the antidumping duty administrative review of certain hot-rolled carbon steel flat products from India, which covers the period December 1, 2003, through November 30, 2004. We also used information from Agro Dutch Industries Ltd., taken from the administrative review of preserved mushrooms from India, for which the POR was February 1, 2004 through January 31, 2005. *See Certain Hot-Rolled Carbon Steel Flat Products From India: Preliminary Results of Antidumping Duty Administrative Review,* 71 FR 2018 (January 12, 2006); *see also Certain Preserved Mushrooms From India: Final Results of Antidumping Duty Administrative Review,* 71 FR 10646 (March 2, 2006).

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using a factors of production methodology if the merchandise is exported from an NME country and the 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. The Department will base NV on the factors of production because the presence of government controls on various aspects of these economies renders price comparisons and the calculation of production costs invalid under its normal methodologies.

For purposes of calculating NV, we valued the PRC factors of production in accordance with section 773(c)(1) of the Act. Factors of production include, but are not limited to, hours of labor required, quantities of raw materials employed, amounts of energy and other utilities consumed, and representative capital costs, including depreciation. *See* section 773(c)(3) of the Act. In examining surrogate values, we selected, where possible, the publicly available value which was an average non-export value, representative of a range of prices within the POR or most contemporaneous with the POR, product-specific, and tax-exclusive. *See, e.g., Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Chlorinated Isocyanurates from the People's Republic of China,* 69 FR 75294, 75300 (December 16, 2004) (''*Chlorinated Isocyanurates*''). We used the usage rates reported by the respondents for materials, energy, labor, by-products, and packing. For a detailed explanation of the methodology used to calculate surrogate values, *see* Memorandum to the File, through Christopher D. Riker, Program Manager, AD/CVD Operations, Office 9, from Michael Quigley, Case Analyst, AD/CVD Operations, Office 9, regarding *Antidumping Duty Administrative and New Shipper Reviews of Certain Frozen Warmwater Shrimp from the People's Republic of China: Selection of Factor Values* (February 28, 2007) (''Factor Valuation Memo'').

Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on the factors of production reported by the respondents for the POR. We relied on the factor specification data submitted by the respondents for the above-mentioned inputs in their questionnaire and supplemental questionnaire responses, where applicable, for purposes of selecting surrogate values.

To calculate NV, we multiplied the reported per unit factor quantities by publicly available Indian surrogate values (except where 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. Specifically, we added to Indian import 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, where appropriate. 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. 1997). Due to the extensive number of surrogate values in this administrative review, we present a discussion of the main factors. For a detailed description of all surrogate values used for respondents, *see Factor Valuation Memo.*

Except where discussed below, we valued raw material inputs using July 2004–January 2006 weighted-average Indian import values derived from the *World Trade Atlas* online (''*WTA*'') (*see also Factor Valuation Memo*). The Indian import statistics we obtained from the *WTA* were published by the DGCI&S, Ministry of Commerce of India, which were reported in rupees. Indian surrogate values denominated in foreign currencies were converted to U.S. dollars using the applicable average exchange rate for India for the POR. The average exchange rate was based on exchange rate data from the Department's Web site. *See http://ia.ita.doc.gov/exchange/index.html.* Where we could not obtain PAI contemporaneous with the POR with which to value factors, we adjusted the surrogate values for inflation using Indian wholesale price indices (''WPIs'') as published in the International Monetary Fund's *International Financial Statistics. See Factor Valuation Memo.*

Furthermore, with regard to the Indian import-based surrogate values, we have disregarded prices from NME countries and those that we have reason to believe or suspect may be subsidized (*i.e.*, Indonesia, South Korea, and Thailand). We have found in other proceedings that these countries maintain broadly available, non-industry-specific export subsidies. Therefore, it is reasonable to believe or suspect all exports to all markets from these countries are subsidized. *See, e.g., Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers From The People's Republic of China,* 58 FR 48833 (September 20, 1993), and accompanying Issues and Decision Memorandum at Comment 1.

Finally, we excluded imports that were labeled as originating from an ''unspecified'' country from the average value, because the Department could not be certain that they were not from either an NME or a country with general export subsidies.

We valued these factors of production based on Indian WTA data: shrimp feed; antiseptic; anti virus; nutriment; sodium; and salt. Additionally, we valued these packing factors of production based on Indian WTA data: cardboard boxes; plastic bags; and adhesive tape. *See Factor Valuation Memo,* at Exhibit 5.

To value raw shrimp, we used Indonesian data from an October 2006 report on shrimp farming in South and South-East Asia from the Network of Aquaculture Centres in Asia-Pacific (*http://library.enaca.org/shrimp/publications/NACAStudy/pdf*). We extrapolated three additional count size groups based on the average percentage change between the five groups of data given in the study. *See Id.* at Exhibit 2.

To value shrimp larvae, we used the audited 2004–2005 financial statements of Sharat Industries Limited, an Indian shrimp producer. Trade Pacific, PLLC placed this data on the record of this review. *See Id.* at Exhibit 3.

To value by-products, we used a public price quote from an Indonesian company that has been used in the investigation of this proceeding. *See* Memorandum to Barbara E. Tillman from Christian Hughes and Adina Teodorescu through Maureen Flannery, regarding *Surrogate Valuation of Shell Scrap: Freshwater Crawfish Tail Meat from the People's Republic of China, Administrative Review 9/1/00–8/31/01 and New Shipper Reviews 9/1/00–8/31/01 and 9/1/00–10/15/01* (August 5, 2002). *See Id.* at Exhibit 4.

We valued electricity using the 2000 total average price per kilowatt hour for ''Electricity for Industry'' as reported in the International Energy Agency's publication, *Energy Prices and Taxes, Second Quarter, 2003.* We adjusted this rate for inflation. *See Id.* at Exhibit 6.

We valued heavy oil using the 2005 first quarter ''Heavy Fuel Oil for Industry'' price as reported in the International Energy Agency's publication, *Key World Energy Statistics 2005. See Id.* at Exhibit 7.

To value water, the Department used the industrial water rates within the

Maharashtra Province of India from June 2003. To achieve comparability of water prices to the factors reported for the POR, we adjusted this factor value to reflect inflation to the POR. *See Id.* at Exhibit 8.

To value diesel fuel, we used the 2005 first quarter ''Automotive Diesel Oil'' price as reported in the International Energy Agency's publication, *Key World Energy Statistics 2005. See Id.* at Exhibit 9.

The Department revised its calculation of expected wages of selected NME countries. *See http://ia.ita.doc.gov/wages/index.html.* The Department's revised calculation of expected NME wages, consistent with its normal methodology and with section 351.408(c)(3) of the Department's regulations, is based on the most current data available as of January 2007. The Department's expected NME wage rate for the PRC is USD $0.83 per hour. We used this wage rate in valuing labor.

To value PRC inland freight for inputs shipped by truck, we used Indian freight rates from the following Web site: *http://www.infreight.com. See Id.* at Exhibit 11.

For the domestic ground transport of shrimp, we used an Indian refrigerated truck freight rate based on price quotations provided by Petitioners in the investigation of certain frozen warmwater shrimp from the PRC from CTC Freight Carriers of Delhi, India. *See* Petitioners' May 21, 2004 surrogate value submission at Attachment 6. Since the rate was not contemporaneous with the POR, we adjusted the rate for inflation. *See Id.* at Exhibit 12.

To value factory overhead and selling, general and administrative (''SG&A'') expenses, and profit, we used data from the 2004–2005 financial reports of Falcon Marine Exports Limited and Nakkanti Sea Foods Limited. These Indian companies are shrimp producers based on data contained in each Indian company's financial reports. We averaged the ratios for the two companies. *See Id.* at Exhibit 10.

Preliminary Results of Reviews

We preliminarily determine that the following margins exist during the period July 16, 2004, through January 31, 2006:

CERTAIN FROZEN WARMWATER SHRIMP FROM THE PRC INDIVIDUALLY REVIEWED EXPORTERS

Yelin Enterprise Co., Hong Kong	0.00
Allied Pacific Aquatic Products (Zhanjiang) Co., Ltd	53.68
Allied Pacific (H.K.) Co., Ltd	53.68
Zhanjiang Evergreen Aquatic Product Science and Technology Co., Ltd	53.68
Zhoushan Huading Seafood Co., Ltd	225.62
PRC-Wide Rate	
PRC–Wide Rate [8]	112.81

We will disclose the calculations used in our analysis to parties to these proceedings within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of publication of this notice.

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 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 issues to be discussed. *See* 19 CFR 351.310(c).

Issues raised in the hearing will be limited to those raised in case and rebuttal briefs. Case briefs from interested parties may be submitted not later than 30 days of the date of publication of this notice, pursuant to 19 CFR 351.309(c). Rebuttal briefs, limited to issues raised in the case briefs, will be due five days later, pursuant to 19 CFR 351.309(d). Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

The Department will issue the final results of these reviews, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

Assessment Rates

Pursuant to 19 CFR 351.212(b), the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of this review. For assessment purposes, where possible, we calculated importer-specific assessment rates for certain frozen warmwater shrimp from the PRC via *ad valorem* duty assessment rates based on the ratio of the total amount of the dumping margins calculated for the examined sales to the total entered value of those same sales. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any assessment rate calculated in the final results of this review is above *de minimis.* The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of these reviews and for future deposits of estimated duties, where applicable.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For the exporters listed above, the cash deposit rate will be established in the final results of this review (except, if the rate is zero or *de minimis, i.e.*, less than 0.5 percent, no cash deposit will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 112.81 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the

[8] PRC-Wide Rate includes, among others, Red Garden and Meizhou.

PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These administrative and new shipper reviews and notice are in accordance with sections 751(a)(1), 751(a)(2)(B), and 777(i) of the Act and 19 CFR 351.213 and 351.214.

Dated: February 28, 2007.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. 07–1132 Filed 3–8–07; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–533–840]

Certain Frozen Warmwater Shrimp from India: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain frozen warmwater shrimp from India with respect to 70 companies.[1] The respondents which the Department selected for individual review are Devi Marine Food Exports Private Limited (DMF), Kader Investment and Trading Company Private Limited, Premier Marine Products, Kader Exports Private Limited (KEPL), Universal Cold Storage Private Limited (UCS), and Liberty Frozen Foods Private Limited (collectively, ''the Liberty Group''), Falcon Marine Exports Limited (Falcon), and Hindustan Lever Limited (HLL). The respondents which were not selected for individual review are listed in the ''Preliminary Results of Review'' section of this notice. This is the first administrative review of this order. The period of review (POR) is August 4, 2004, through January 31, 2006.

We preliminarily determine that sales made by Falcon, HLL, and the Liberty Group have been made below normal value (NV). In addition, based on the preliminary results for the respondents selected for individual review, we have preliminarily determined a weighted–average margin for those companies that were not selected for individual review but were responsive to the Department's requests for information. For those companies which were not responsive to the Department's requests for information, we have preliminarily assigned to them a margin based on adverse facts available (AFA).

If the preliminary results are adopted in our final results of administrative review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries. Interested parties are invited to comment on the preliminary results.

EFFECTIVE DATE: March 9, 2007.

FOR FURTHER INFORMATION CONTACT: Elizabeth Eastwood or Jill Pollack, AD/CVD Operations, Office 2, Import Administration–Room B099, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–3874 or (202) 482–4593, respectively.

SUPPLEMENTARY INFORMATION:

Background

In February 2005, the Department published in the **Federal Register** an antidumping duty order on certain warmwater shrimp from India. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Frozen Warmwater Shrimp from India*, 70 FR 5147 (Feb. 1, 2005) (*Shrimp Order*). Subsequently, on February 1, 2006, the Department published in the **Federal Register** a notice of opportunity to request an administrative review of the antidumping duty order of certain frozen warmwater shrimp from India for the period August 4, 2004, through January 31, 2006. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 5239 (Feb. 1, 2006). Between February 23 and 28, 2006, the Department received timely requests under 19 CFR 351.213(b)(2) to conduct an administrative review of the sales of certain frozen warmwater shrimp from the following producers/exporters of subject merchandise: Amalgam Foods & Beverages Limted, Ananda Aqua Exports Private Limited, Asvini Exports, Asvini Fisheries Limited, Avanti Feeds Limted, Devi Fisheries Limited, Devi Seafoods Limited, Falcon, Five Star Marine Exports Private Limited, GVR Exports Pvt. Ltd., HLL, Jaya Lakshmi Sea Foods Pvt. Ltd., Jayalakshmi Sea Foods Private Limited, K.R.M. Marine Exports, the Liberty Group, Magnum Estate Private Limited, Nekkanti Sea Foods Limited, Sagar Grandhi Exports Pvt. Ltd., Sai Marine Exports Pvt. Ltd., Sandhya Marines Limited, Satya Seafoods Private Limited, Selvam Exports Private Limited, Star Agro Marine Exports Private Limited, Suvarna Rekha Exports Private Limited, Veejay Impex, Vinner Marine, and Wellcome Fisheries Limited. Also on February 28, 2006, the petitioner[2] submitted a letter timely requesting that the Department conduct an administrative review of the sales of certain frozen warmwater shrimp made by numerous companies during the POR, pursuant to section 751(a) of the Tariff Act of 1930, as amended (the Act), and in accordance with 19 CFR 351.213(b)(1).

On April 7, 2006, the Department published a notice of initiation of administrative review for 347 companies and requested that each provide data on the quantity and value (Q&V) of its exports of subject merchandise to the United States during the POR for mandatory respondent selection purposes. These companies are listed in the Department's notice of initiation. *See Notice of Initiation of Administrative Reviews of the Antidumping Duty Orders on Certain Frozen Warmwater Shrimp from Brazil, Ecuador, India and Thailand*, 71 FR 17819 (Apr. 7, 2006) (*Notice of Initiation*).

During the period April 24 through June 12, 2006, we received responses to the Department's Q&V questionnaire from 59 companies. We were unable to locate 29 companies, and we did not receive responses to this questionnaire from the remaining companies.[3] For further discussion, see the ''Application of Facts Available'' section of this notice.

One of the companies that responded to our Q&V questionnaire, Coastal

[1] This figure does not include those companies for which the Department is preliminarily rescinding the administrative review.

[2] The petitioner is the Ad Hoc Shrimp Trade Action Committee.

[3] As discussed below, for certain of these companies, the petitioner subsequently withdrew its request for review.