CBP to assess the resulting rate against the entered customs value for the subject merchandise on each importer's/customer's entries during the POR.

Cash-Deposit Requirements

The following cash-deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for each of the reviewed companies will be the rate listed in the final results of review (except where the rate for a particular company is *de minimis*, *i.e.*, less than 0.5 percent, no cash deposit will be required for that company); (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less than fair value (''LTFV'') investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be the ''PRC-wide'' rate of 124.5 percent, which was established in the LTFV investigation. 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 also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(2)(B) and 777(i)(1) of the Act, and 19 CFR 351.221(b).

Dated: May 2, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–2233 Filed 5–6–05; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

(A–570–846)

Brake Rotors From the People's Republic of China: Preliminary Results and Partial Rescission of the Seventh Administrative Review and Preliminary Results of the Eleventh New Shipper Review

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

SUMMARY: The Department of Commerce (''the Department'') is currently conducting the seventh administrative review and eleventh new shipper review of the antidumping duty order on brake rotors from the People's Republic of China (''PRC'') covering the period April 1, 2003, through March 31, 2004. We preliminarily determine that no sales have been made below normal value (''NV'') with respect to the exporters who participated fully and are entitled to a separate rate in these reviews. If these preliminary results are adopted in our final results of these reviews, we will instruct the 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: May 9, 2005.

FOR FURTHER INFORMATION CONTACT: Steve Winkates or Brian Smith, 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) 482–1904 or (202) 482–1766, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 19, 1999, the Department published in the **Federal Register** the antidumping duty order on brake rotors from the PRC. *See Notice of Antidumping Duty Order: Brake Rotors from the People's Republic of China*, 62 FR 18740 (April 17, 1997).

The Department received a timely request from Longkou Jinzheng Machinery Co., Ltd. (''Longkou Jinzheng'') on December 15, 2003, for a new shipper review of this antidumping duty order in accordance with 19 CFR 351.214(c).

On April 1, 2004, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on brake rotors from the PRC. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 69 FR 17129 (April 1, 2004).

On April 30, 2004, the petitioner [1] requested an administrative review pursuant to 19 CFR 351.213(b) for 24 companies,[2] which it claimed were producers and/or exporters of the subject merchandise. Five of these companies are included in five exporter/producer combinations [3] that received zero rates in the less-than-fair-value (''LTFV'') investigation and thus were excluded from the antidumping duty order only with respect to brake rotors sold through the specified exporter/producer combinations.

On May 7, 2004, Longkou Jinzheng agreed to waive the time limits applicable to the new shipper review and to permit the Department to conduct the new shipper review concurrently with the administrative review. On May 20, 2004, the Department initiated a new shipper review of Longkou Jinzheng (*see Brake Rotors from the People's Republic of China: Initiation of the Eleventh New*

[1] The petitioner is the Coalition for the Preservation of American Brake Drum and Rotor Aftermarket Manufacturers.

[2] The names of these exporters are as follows: (1) China National Industrial Machinery Import & Export Corporation (''CNIM''); (2) Laizhou Automobile Brake Equipment Company, Ltd. (''LABEC''); (3) Longkou Haimeng Machinery Co., Ltd. (''Longkou Haimeng''); (4) Laizhou Hongda Auto Replacement Parts Co., Ltd. (''Hongda''); (5) Hongfa Machinery (Dalian) Co., Ltd. (''Hongfa''); (6) Qingdao Gren (Group) Co. (''Gren''); (7) Qingdao Meita Automotive Industry Company, Ltd. (''Meita''); (8) Shandong Huanri (Group) General Company (''Huanri General''); (9) Yantai Winhere Auto-Part Manufacturing Co., Ltd. (''Winhere''); (10) Zibo Luzhou Automobile Parts Co., Ltd. (≥ZLAP≥); (11) Longkou TLC Machinery Co., Ltd. (''LKTLC''); (12) Zibo Golden Harvest Machinery Limited Company (''Golden Harvest''); (13) Shanxi Fengkun Metallurgical Limited Company (''Shanxi Fengkun''); (14) Xianghe Xumingyuan Auto Parts Co. (''Xumingyuan''); (15) Xiangfen Hengtai Brake System Co., Ltd. (''Hengtai''); (16) Laizhou City Luqi Machinery Co., Ltd. (''Luqi''); (17) Qingdao Rotec Auto Parts Co., Ltd. (''Rotec''); (18) Shenyang Yinghao Machinery Co. (''Shenyang Yinghao''); (19) China National Machinery and Equipment Import & Export (Xianjiang) Corporation (''Xianjiang''); (20) China National Automotive Industry Import & Export Corporation (''CAIEC''); (21) Laizhou CAPCO Machinery Co., Ltd. (''Laizhou CAPCO''); (22) Laizhou Luyuan Automobile Fittings Co. (''Laizhou Luyuan''); and (23) Shenyang Honbase Machinery Co., Ltd. (''Shenyang Honbase'').

[3] The excluded exporter/producer combinations are: (1) Xianjiang/Zibo Botai Manufacturing Co., Ltd. (''Zibo Botai''); (2) CAIEC/Laizhou CAPCO; (3) Laizhou CAPCO/Laizhou CAPCO; (4) Laizhou Luyuan/Laizhou Luyuan or Shenyang Honbase; or (5) Shenyang Honbase/Laizhou Luyuan or Shenyang Honbase.

Shipper Antidumping Duty Review, 69 FR 29920 (May 26, 2004)).

On May 21, 2004, the Department initiated an administrative review covering the companies listed in the petitioner's April 30, 2004, request (*see Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 69 FR 30282 (May 27, 2004)).

On May 24, 2004, the Department requested from CBP copies of all customs documents pertaining to the entry of brake rotors from the PRC exported by Longkou Jinzheng during the period of April 1, 2003, through March 31, 2004 (*see* May 24, 2004, Memorandum from Edward Yang, Office Director, to William R. Scopa of CBP).

On July 30, 2004, we received documentation from CBP regarding our May 24, 2004, request for Longkou Jinzheng's entry information.

On August 19, 2004, the Department conducted a data query of CBP entry information on brake rotor entries made during the POR from all exporters named in the excluded exporter/producer combinations in order to substantiate their claims that and/or determine whether they made no shipments of subject merchandise during the POR. As a result of the data query, the Department requested that CBP confirm the actual manufacturer for 20 specific entries associated with the excluded exporter/producer combinations (*see* the August 19, 2004, memorandum from Edward Yang, Office Director, to William Scopa of CBP (''August 19, 2004, memorandum'')).

On October 6, 2004, we placed on the record the entry documentation received from CBP in response to our August 11, 2004, request for information on the excluded exporter/producer combinations (*see* October 6, 2004, memorandum to the file, Results of Request for Assistance from Customs and Border Protection to Further Examine U.S. Entries Made by Exporter/Producer Combinations).

On October 18, 2004, the petitioner requested the Department to select more entries made by the excluded exporter/producer combinations during the POR and obtain the entry documentation for those entries from CBP.

On December 17, 2004, the Department published in the **Federal Register** a notice of postponement of the preliminary results until no later than April 30, 2005 (*see Brake Rotors from the People's Republic of China: Notice of Extension of Time Limit for the Preliminary Results in the Seventh Antidumping Duty Administrative Review and the Eleventh New Shipper Review*, 69 FR 75510 (December 17, 2004)).

On January 3, 2005, the Department issued the verification outline to Longkou Jinzheng. The Department conducted verification of the responses of Longkou Jinzheng during the period January 17 through 21, 2005. On February 22, 2005, the Department issued the verification report for Longkou Jinzheng.

On March 14 and 16, 2005, the Department issued verification outlines to Laizhou Hongda and Huanri General, respectively. The Department conducted verification of the responses of Laizhou Hongda and Huanri General during the period March 21 through 26, 2005. On March 30 and April 6, 2005, the Department issued the verification reports for Laizhou Hongda and Huanri General, respectively.

Respondents

On May 25 and 26, 2004, we issued a questionnaire to each company listed in the above–referenced initiation notices.

On July 6, 2004, with the exception of Xinjiang, each of the exporters that received a zero rate in the LTFV investigation stated that during the POR, it did not make U.S. sales of brake rotors produced by companies other than those included in its respective excluded exporter/producer combination. Also on July 6, 2004, Luqi, Shenyang Yinghao, and Xumingyuan each stated that it did not have shipments of the subject merchandise to the United States during the POR.

On July 13, 2004, Longkou Jinzheng submitted its response to the Department's antidumping duty questionnaire.

On July 20, 2004, we received responses to the Department's questionnaires from the remaining companies. Rotec did not respond to the Department's questionnaire.

On August 10, 2004, the petitioner submitted comments on Huanri General's July 20, 2004, questionnaire response.

From August 4 through September 27, 2004, the Department issued a Supplemental Questionnaire to the 15 companies (hereafter referred to as the 15 respondents) which submitted a questionnaire response.

From August 25 through October 22, 2004, the 15 respondents submitted their responses to the Department's Supplemental Questionnaires.

On October 25, 2004, the petitioner submitted comments on Huanri General's Supplemental Questionnaire response.

From November 1 through 12, 2004, the Department issued a second Supplemental Questionnaire to Gren, Golden Harvest, Hengtai, Huanri General, Longkou Jinzheng, Shanxi Fengkun, and ZLAP. From November 15 through 22, 2004, Gren, Golden Harvest, Hengtai, Huanri General, Longkou Jinzheng, Shanxi Fengkun, and ZLAP submitted their responses to the Department's second Supplemental Questionnaire.

On December 20, 2004, the Department issued each of the 15 respondents a sales and cost reconciliation questionnaire, which respondents submitted to the Department from January 7 through January 26, 2005.

As a result of not receiving a response to the antidumping duty questionnaire, the Department issued a letter to Rotec on January 3, 2005, which notified this company of the consequences of not having responded to the Department's antidumping questionnaire.

From February 1 through 2, 2005, the Department issued a second supplemental questionnaire to Laizhou Hongda, LABEC, Haimeng, and Winhere, and a third Supplemental Questionnaire to Longkou TLC. On February 22, 2005, Laizhou Hongda, LABEC, Haimeng, and Winhere submitted their responses to the Department's third Supplemental Questionnaire.

On February 23, 2005, Longkou TLC submitted its response to the Department's third Supplemental Questionnaire.

For those respondents [4] who claimed that their U.S. customers provided them with certain inputs (*i.e.*, lug bolts and bearing cups) which they used during the POR free–of-charge, the Department issued these respondents a supplemental questionnaire (''input questionnaire'') from February 17 through February 24, 2005, which requested documentation to support their claim.

From March 3 through March 15, 2005, each respondent (which claimed free–of-charge inputs) submitted its response to the Department's input questionnaire.

On March 17, 2005, the Department issued Hengtai another supplemental questionnaire which requested source documentation to support further the data contained in its January 18, 2005, sales and cost reconciliation questionnaire response, to which Hengtai submitted its response on April 1, 2005.

[4] These respondents include CNIM, Huanri General, LABEC, Longkou Haimeng, and ZLAP.

Because certain source documents were either illegible or not provided as requested in its April 5, 2005, supplemental questionnaire response, the Department issued Hengtai another Supplemental Questionnaire on April 4, 2005, to address these deficiencies. On April 12, 2005, Hengtai submitted its response to the Department's April 4, 2005, Supplemental Questionnaire.

Surrogate Country and Factors

On June 8, 2004, the Department provided the parties an opportunity to submit publicly available information (''PAI'') on surrogate countries and values for consideration in these preliminary results. On March 11, 2005, CNIM, Gren, Shanxi Fengkun, and ZLAP submitted PAI for consideration in the preliminary results.

Period of Reviews

The POR covers April 1, 2003, through March 31, 2004.

Scope of the Order

The products covered by this order are brake rotors made of gray cast iron, whether finished, semifinished, or unfinished, ranging in diameter from 8 to 16 inches (20.32 to 40.64 centimeters) and in weight from 8 to 45 pounds (3.63 to 20.41 kilograms). The size parameters (weight and dimension) of the brake rotors limit their use to the following types of motor vehicles: automobiles, all–terrain vehicles, vans and recreational vehicles under ''one ton and a half,'' and light trucks designated as ''one ton and a half.''

Finished brake rotors are those that are ready for sale and installation without any further operations. Semi–finished rotors are those on which the surface is not entirely smooth, and have undergone some drilling. Unfinished rotors are those which have undergone some grinding or turning.

These brake rotors are for motor vehicles, and do not contain in the casting a logo of an original equipment manufacturer (''OEM'') which produces vehicles sold in the United States. (*e.g.*, General Motors, Ford, Chrysler, Honda, Toyota, Volvo). Brake rotors covered in this order are not certified by OEM producers of vehicles sold in the United States. The scope also includes composite brake rotors that are made of gray cast iron, which contain a steel plate, but otherwise meet the above criteria. Excluded from the scope of this order are brake rotors made of gray cast iron, whether finished, semifinished, or unfinished, with a diameter less than 8 inches or greater than 16 inches (less than 20.32 centimeters or greater than 40.64 centimeters) and a weight less than 8 pounds or greater than 45 pounds (less than 3.63 kilograms or greater than 20.41 kilograms).

Brake rotors are currently classifiable under subheading 8708.39.5010 of the *Harmonized Tariff Schedule of the United States* (''HTSUS''). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

Verification

On November 16, 2004, the petitioner requested that the Department conduct verification of the data submitted by the following respondents: Hengtai, Huanri General, Laizhou Hongda, Longkou Jinzheng, and Shanxi Fengkun. However, due to the Department's resource constraints in conducting these reviews, we only selected Huanri General, Laizhou Hongda, and Longkou Jinzheng for verification pursuant to Section 782(i)(2) of the Act and 19 CFR 351.307.

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 further discussion, see February 22, 2005, verification report for Jinzheng in the Eleventh Antidumping Duty New Shipper Review (''Jinzheng verification report''); March 30, 2005, verification report for Hongda in the Seventh Antidumping Duty Administrative Review (''Hongda verification report''); and April 6, 2005, verification report for Huanri General in the Seventh Antidumping Duty Administrative Review (''Huanri General verification report'').)

Preliminary Partial Rescissions of Administrative Reviews

Pursuant to 19 CFR 351.213(d)(3), we have preliminarily determined that the exporters which are part of the five exporter/producer combinations which received zero rates in the LTFV investigation (*i.e.*, four exporters that made no shipment claims and the one exporter in this group which did not respond to the Department's antidumping duty questionnaire) did not make shipments of subject merchandise to the United States during the POR. These specific exporter/producer combinations continue to have a rate of zero percent. Specifically, (1) Xinjiang (*i.e.*, the exporter which did not respond to the Department's questionnaire) did not export any brake rotors to the United States during the POR and thus did not export any brake rotors that were manufactured by producers other than Zibo Botai; (2) CAIEC did not export brake rotors to the United States that were manufactured by producers other than Laizhou CAPCO; (3) Laizhou CAPCO did not export brake rotors to the United States that were manufactured by producers other than Laizhou CAPCO; (4) Laizhou Luyuan did not export brake rotors to the United States that were manufactured by producers other than Shenyang Honbase or Laizhou Luyuan; and (5) Shenyang Honbase did not export brake rotors to the United States that were manufactured by producers other than Laizhou Luyuan or Shenyang Honbase.

In order to make this determination, we first examined PRC brake rotor shipment data maintained by CBP. We then selected five entries associated with each applicable exporter/producer combination identified above and requested CBP to provide documentation which would enable the Department to determine who manufactured the brake rotors included in those entries. In the case of Xinjiang, the CBP data did not contain any entries from this excluded exporter. Based on the information obtained from CBP, we found no instances where the exporters included in the five exporter/producer combinations shipped brake rotors from the PRC to the U.S. market outside of their excluded export/producer combinations during the POR. (*See* October 6, 2004, memorandum to the file, Results of Request for Assistance from Customs and Border Protection to Further Examine U.S. Entries Made by Exporter/Producer Combinations - Preliminary Results.)

Although the petitioner requested on October 18, 2004, that the Department select more entries made by the zero rate exporter/producer combinations during the POR and obtain the entry documentation for those entries from CBP because the Department's sampling method was not representative, we find that the sampling technique we used provided representative results. Because the results of the data query provided a voluminous number of entries associated with four of the five zero rate exporter/producer combinations, we deemed it appropriate to sample the entries in this instance (*see* May 2, 2005, Memorandum to the File from Steve Winkates regarding results of CBP data query). Specifically, in order to ensure that the entries we selected from the CBP for customs data for further examination were representative, we randomly selected five entries for each applicable exporter for which the customs data reflected entries from that

exporter. As indicated in our selections, we further ensured that our selections were representative by selecting entries for each applicable exporter from different U.S. ports. Based on the results of our query, we conclude that the number of selections provided representative results.

Moreover, we find that the sampling method used in this review is consistent with the method used in previous administrative reviews in this case. Furthermore, the Department also deemed it appropriate in this instance to select a random sample of the entries provided by the query to determine whether each exporter/producer combination at issue was in compliance with the terms of its zero rate status. The Department's discretion for using sampling techniques in situations where the information to be checked is voluminous has been upheld in previous cases by the Court of International Trade (''CIT'') (*see Federal–Mogul Corp. v. United States*, 20 CIT 234, 918 F. Supp. 386, 403–404 (CIT 1996) (''*Federal–Mogul Corp. v. United States*'')). *See also Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of Fourth New Shipper Review and Rescission of Third Antidumping Duty Administrative Review*, 66 FR 27063 (May 16, 2001) (''*Brake Rotors Third Administrative Review*'') and accompanying *Issues and Decision Memorandum* at Comment 1; and *Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of Fourth Antidumping Duty Administrative Review*, 67 FR 65779 (October 28, 2002) (''*Brake Rotors Fourth Administrative Review*'') and accompanying *Issues and Decision Memorandum* at Comment 1.

With respect to Luqi, Shenyang Yinghao, and Xumingyuan, the shipment data we examined did not show U.S. entries of the subject merchandise during the POR from these companies (*see* May 2, 2005, Memorandum to the File from case analyst).

Therefore, for the reasons mentioned above and based on the results of our queries, we are preliminarily rescinding the administrative review with respect to all of the above–mentioned companies because we found no evidence that these companies made shipments of the subject merchandise during the POR in accordance with 19 CFR 351.213(d)(3).

Bona Fide Sale Analysis - Longkou Jinzheng

For the reasons stated below, we preliminarily find that Longkou Jinzheng's reported U.S. sale during the POR appears to be a bona fide sale, as required by 19 CFR 351.214(b)(2)(iv)(c), based on the totality of the facts on the record. Specifically, we find that (1) the net prices reported for its two brake rotor models included in its single sales invoice (i.e., gross unit price because Longkou Jinzheng did not incur international freight or U.S. brokerage and handling expenses) were similar to the average unit value of U.S. imports of comparable brake rotors from the PRC during the POR; (2) the prices reported for both model numbers were within the range of prices of comparable goods imported from the PRC during the POR; and (3) the FOB prices reported for the two brake rotor models were comparable to the FOB prices reported for those same two brake rotor models sold during the POR by other PRC exporters which are involved in the concurrent administrative review. We also find that (1) the quantity of the sale was within the range of shipment sizes of comparable goods imported from the PRC during the POR; and (2) the quantities reported for the two brake rotor models were comparable to the quantities reported for those same two brake rotor models sold during the POR by other PRC exporters which are involved in the concurrent administrative review. Furthermore, Jinzheng received payment for this sale in a timely manner. (*See* May 2, 2005, Memorandum to the File for further discussion of our price and quantity analysis.)

Therefore, for the reasons mentioned above, the Department preliminarily finds that Longkou Jinzheng's sole U.S. sale during the POR was a *bona fide* commercial transaction.

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. 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 Fresh Garlic from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Rescission in Part*, 69 FR 70638 (December 7, 2004)). None of the parties to this proceeding has contested such treatment. Accordingly, we calculated NV in accordance with section 773(c) of the Act, which applies to NME countries.

Surrogate Country

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 is among the countries comparable to the PRC in terms of overall economic development (*see* June 4, 2004, Memorandum from the Office of Policy to Irene Darzenta Tzafolias). In addition, based on publicly available information placed on the record (*e.g.*, world production data), India is a significant producer of the subject merchandise. Accordingly, we have considered India the surrogate country for purposes of valuing the factors of production because it meets the Department's criteria for surrogate–country selection (*see* Memorandum Re: Seventh Antidumping Duty Administrative Review and Eleventh Antidumping Duty New Shipper Review on Brake Rotors from the People's Republic of China: Selection of a Surrogate Country, dated May 2, 2005, for further discussion).

Facts Available - Rotec

For the reasons stated below, we have applied total adverse facts available to Rotec.

Rotec failed to respond to the Department's antidumping duty questionnaire. Pursuant to sections 776(a) and (b) of the Act, the Department may apply adverse facts available if it finds a respondent has not acted to the best of its ability in cooperating with the Department in this segment of the proceeding. By failing to respond to the Department's questionnaire, Rotec has failed to act to the best of its ability in cooperating with the Department's request for information in this segment of the proceeding.

As a result of its failure to respond to the Department's questionnaire, Rotec failed to establish its eligibility for a separate rate. Therefore, Rotec is not eligible to receive a separate rate and will be part of the PRC NME 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 Rotec.

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) (''*Brake Rotors First Administrative Review*''), as adverse facts available, we have assigned to exports of the subject merchandise by Rotec a rate of 43.32 percent, which is the PRC–wide rate.

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 adverse facts available (''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 information upon which the AFA rate is based in the current review (*i.e.*, the PRC–wide rate of 43.32 percent) was the highest rate from the petition in the LTFV investigation. (*See Notice of Antidumping Duty Order: Brake Rotors from the People's Republic of China*, 62 FR 18740 (April 17, 1997)). This AFA rate is the same rate which the Department assigned to brake rotor companies in a prior review and the rate itself has not changed since the original LTFV determination (*see Brake Rotors First Administrative Review*, 64 FR at 61584). 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 reviews subsequent to the LTFV investigation to the extent that the Department referred to the history of corroboration. Furthermore, no information has been presented in the current review that calls into question the reliability of this information (*see, e.g., Brake Rotors First Administrative Review*, 64 FR at 61584).

To further corroborate the AFA margin of 43.32 percent in this review, we compared that margin to the margins we found for the other respondents which sold identical and/or similar products. Based on our above–mentioned analysis, we find that 43.32 percent is within the range of margins for individual sales of identical and/or similar products reported by certain respondents in this review (*see* Memorandum Re: Seventh Antidumping Duty Administrative Review on Brake Rotors from the People's Republic of China: Corroboration, dated May 2, 2005, for further discussion). Thus, the Department finds that the information is reliable.

With respect to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance. Where circumstances indicate that the selected margin is not appropriate as AFA, the Department will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico: Final Results of Antidumping Administrative Review*, 61 FR 6812 (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. Similarly, the Department does not apply a margin that has been discredited. *See D & L Supply Co. v. United States*, 113 F.3d 1220, 1221 (Fed. Cir. 1997) (the Department will not use a margin that has been judicially invalidated). 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 gathered by the Department itself. Furthermore, the calculation of this margin was subject to comment from interested parties in the proceeding. Moreover, 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.

Based on our analysis as described above, we find that the margin of 43.32 percent is reliable and has relevance. As the rate is both reliable and relevant, we determine that it has probative value. Accordingly, we determine that the calculated rate of 43.32 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, including Rotec.

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 15 respondents participating in these reviews, three of the PRC companies (*i.e.*, Hongfa, Meita, and Winhere) are owned wholly by entities located in market–economy countries. Thus, for these three companies, because we have no evidence indicating that they are under the control of the PRC government, a separate rates analysis is not necessary to determine whether they are independent from government control. (*See Brake Rotors from the People's Republic of China: Final Results and Partial Rescission of Fifth New Shipper Review*, 66 FR 44331 (August 23, 2001) (''*Brake Rotors Fifth New Shipper Review*''), which cites *Brake Rotors from the People's Republic of China: Preliminary Results and Partial Rescission of the Fifth New Shipper Review and Rescission of the Third Antidumping Duty Administrative Review*, 66 FR 29080 (May 29, 2001) (where the respondent was wholly owned by a U.S. registered company); *Brake Rotors Third Administrative Review*, which cites *Brake Rotors from the People's Republic of China: Preliminary Results and Partial Rescission of the Fourth New Shipper Review and Rescission of the Third Antidumping Duty Administrative Review*, 66 FR 1303, 1306 (January 8, 2001) (where the respondent was wholly owned by a company located in Hong Kong); and *Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate from the People's Republic of China*, 64 FR 71104, 71105 (December 20, 1999) (where the respondent was wholly owned by persons located in Hong Kong)).

The remaining 12 respondents (*i.e.*, CNIM, Golden Harvest, Gren, Hengtai, Hongda, Huanri General, LABEC, LKTLC, Longkou Haimeng, Longkou Jinzheng, Shanxi Fengkun, and ZLAP) are either joint ventures between PRC and foreign companies, collectively–owned enterprises and/or limited liability companies in the PRC. Thus, for these 12 respondents, a separate rates analysis is necessary to determine whether the export activities of each of above–mentioned respondents is independent from government control. (*See Notice of Final Determination of Sales at Less Than Fair Value: Bicycles From the People's Republic of China*, 61 FR 56570 (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*''), and

amplified in the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (''*Silicon Carbide*''). Under the separate–rates criteria, the Department assigns separate rates in NME cases only if 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.

CNIM, Golden Harvest, Gren, Hengtai, Hongda, Huanri General, LABEC, LKTLC, Longkou Haimeng, Longkou Jinzheng, Shanxi Fengkun, and ZLAP have each placed on the administrative record documents to demonstrate an absence of *de jure* control (*e.g.*, the 1979 ''Law of the People's Republic of China on Chinese–Foreign Joint Ventures;'' the ''Regulations of the PRC for Controlling the Registration of Enterprises as Legal Persons,'' promulgated in June 1988; the 1990 ''Regulations Governing the Rural Collective Owned Enterprises of the PRC;'' the 1994 ''Foreign Trade Law of the People's Republic of China;'' the 1999 ''Company Law of the People's Republic of China;'' and the 2000 ''Law of the People's Republic of China on Foreign Capital Enterprises'').

As in prior cases, we have analyzed the laws mentioned above 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*''), and *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 CNIM, Golden Harvest, Gren, Hengtai, Hongda, LABEC, LKTLC, Longkou Haimeng, Longkou Jinzheng, Shanxi Fengkun, and ZLAP.

With respect to Huanri General's claim that it is entitled to a separate rate, in a prior segment of this case, the Department granted Huanri General a separate rate. *See Brake Rotors Fifth New Shipper Review*. However, the Department has preliminarily determined to deny Huanri General a separate rate in this administrative review for two reasons: (1) the Department has analyzed the February 25, 1999, Organic Law on the Village Committee of the PRC (''Village Committee Law'') and has determined that the Panjacun Village Committee is a form of local government in the PRC, and (2) new information obtained at verification demonstrates that the Panjacun Village Committee, as a local PRC government entity, controls the export activities of Huanri General. As explained below, we find that the Village Committee Law does not conclusively establish an absence of *de jure* government control. Nor does this law, on its face, conclusively negate the possibility, based on the other laws referenced above and a *de facto* analysis, that Huanri General is subject to government control. Therefore, our preliminary determination to deny Huanri General a separate rate is based on our conclusion that it has not demonstrated an absence of *de facto* government control.

The petitioner submitted on the record of the administrative review the Village Committee Law and supporting news articles which explain the role and functions of PRC village committees. At the outset, we note that as with other laws the Department considers in its *de jure* analysis, the Village Committee Law was promulgated by the central government of the PRC. Article 1 of the Village Committee Law states that the law was formulated ''to protect villagers' self–governance in rural areas, through which villagers can manage their own affairs by law.'' It also states, however, that ''this law is formulated in line with the relevant requirements of The Constitution of the People's Republic of China.'' Article 2 states that a ''Village Committee is a self–governance organization at the grassroots level.'' In addition, village committees are entrusted with ''educating villagers on reasonable use of natural resources,'' ''protect{ing} and improv{ing} the environment (*see* Article 5), ''protect{ing} public property,'' and ''protect{ing} the legal rights and interests of villagers'' (*see* Article 6). However, Article 2 also clearly states that ''It is the village committee's responsibility to develop public services, manage public affairs, mediate civil disputes, help maintain social stability and report to the people's government villagers' opinions, requests and suggestions.'' In the case of the Panjacun Village Committee, members are selected by village representatives, who are elected by villagers eligible to vote (*see* pages 8–9 of the April 6, 2005, Huanri General verification report (''Huanri General verification report'')). Based on its examination of the provisions of the Village Committee Law, the Department has determined that villages organized and operating under this law are a form of local government in the PRC.

The Village Committee Law also contains provisions which assign village committees in the PRC with certain economic responsibilities. For example, Article 5 states that village committees ''shall support and organize villagers developing collective economy by law in all forms, serve and coordinate the village production, and promote the development of rural socialist production and a socialist market economy.'' In order to accomplish this, village committees are able to ''manage land and other properties of the village that are collectively owned by all villagers'' while ''respect{ing} the autonomy of collective economic units in conducting economic activities by law'' (*see* Article 5), use ''income collected from village collective economies'' (*e.g.*, companies), or begin ''development of any new village collective economies'' for purposes of improving the social welfare of the village itself (*see* Article 19). In addition, to emphasize the importance of these functions, the Village Committee Law stipulates that for villagers' monitoring purposes, village committees should promptly publicize the decision of the village committee and its implementation on financial–related issues (among others) mentioned in Article 19 (*see* Article 22). Therefore, the law appears to provide village committees with the means to exercise control over certain activities of companies wholly owned by the villagers in its jurisdiction.

Based on the Department's analysis, it appears that the purpose of the Village Committee Law is to decentralize certain government operations at the village level, as distinct from the town, township, or minority town or township levels of government immediately above it, while at the same time providing for the control of certain companies at the village level. Nonetheless, the Village Committee Law itself does not appear to establish conclusively village government control over any particular company, or, by law, require restrictive stipulations on the business or export licenses of enterprises operating in the

village. Therefore, we find that the Village Committee Law does not at this time alter our *de jure* analysis, and we preliminarily find that Huanri General, by virtue of the applicability of the other PRC laws referenced above, has demonstrated an absence of *de jure* central government control. However, because it appears that village committees are, by promulgation of law by the central government of the PRC, permitted to exercise control over village–owned companies, it is necessary for the Department to examine whether the Panjacun village committee, as a matter of fact, controls the export–related activities of Huanri General.

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* and *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. In addition, as discussed above, certain articles contained in the Village Committee Law appear to grant village committees the means to control companies wholly owned by the villagers located in the village committee's jurisdiction. In the case of Huanri General, a *de facto* analysis is necessary to determine whether the Panjacun village committee is, in fact, controlling the export–related activities of the company.

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* and *Furfuryl Alcohol*).

CNIM, Golden Harvest, Gren, Hengtai, Hongda, Huanri General, LABEC, LKTLC, Longkou Haimeng, Longkou Jinzheng, Shanxi Fengkun, and ZLAP 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. Furthermore, with respect to Laizhou Hongda, we examined documentation at verification which substantiated its claims as noted above (*see* the Laizhou Hongda verification report at pages 5–8).

Consequently, with the exception of Huanri General (as discussed below), we have preliminarily determined that CNIM, Golden Harvest, Gren, Hengtai, Hongda, LABEC, LKTLC, Longkou Haimeng, Longkou Jinzheng, Shanxi Fengkun, and ZLAP 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.

With respect to Huanri General, the Department preliminarily finds that it has not demonstrated a *de facto* absence of government control with respect to making its own decisions in key personnel selections, the use of its profits from the proceeds of export sales, and the authority to negotiate and sign contracts and other agreements. *See Silicon Carbide*. Huanri General is therefore not entitled to a separate rate.

In so determining, the Department is clarifying its policy regarding the level of government control that is relevant to the separate rates analysis. Government control of companies in non–market economies, such as the PRC, is not limited strictly to central government control, but can also include levels of sub–national government, including provincial, township or village government. If a company's export activities are subject to government control at any level, there is the possibility that export prices and export–related activities are subject to manipulation by the relevant NME government entity. Therefore, the relevant question in the Department's separate rates analysis is whether, as a matter of fact, the company operates autonomously from a government entity at any level with respect to export–related activities.

Data examined at verification confirmed that individuals of the local government (whether it be the village committee or the village representatives (*i.e.*, individuals selected by the villagers themselves, who then elect members of the village committee)) have effectively appointed themselves as key decision makers (*i.e.*, chairman, directors, and/or shareholder representatives, as provided by the Village Committee Law) in Huanri General since 2001. Huanri General was set up by the Panjacun village committee in 1999 through capital voluntarily provided by all of the inhabitants of Panjacun village, consistent with Article 5 of the Village Committee Law (*see* page 6 of the Huanri General verification report). Those investors also included village committee members who were elected to their positions by 41 village representatives (*see* pages 8–9 of the Huanri General verification report). After Huanri General's first full year of operation, the local government's involvement in Huanri General's management became even more intertwined when the 41 village representatives appointed themselves as the shareholder representatives in Huanri General (*see* page 9 of the Huanri General verification report). In further diluting the distinction between the local government's management and Huanri General's management, our verification findings also confirmed that two of the village committee members are not only village representatives but also are members of Huanri General's board of directors (*see* page 11 of the Huanri General verification report and Article 5 of the Village Committee Law). More importantly, the village committee chairman has continued to serve as chairman of Huanri General's board of directors since the company's establishment (*see* pages 9–11 of the Huanri General verification report). Thus, the Panjacun Village Committee is so intertwined in personnel, and involved in key financing operations with Huanri General with respect to export activities, that there can be no meaningful consideration of separateness between the local PRC government and Huanri General. Therefore, based on the facts, we cannot conclude that Huanri General makes its own personnel decisions.

With respect to whether Huanri General makes its own decisions on the use of its profits from the proceeds of its export sales, our verification findings further note that the 41 village representatives (serving in the capacity of Huanri General's shareholder representatives) have also been directly involved in profit distribution decisions made at Huanri General as evidenced by shareholder meeting minutes examined at verification (*see* Huanri General verification report at page 12).

Therefore, based on the facts mentioned above, we cannot conclude that Huanri General makes its own profit decisions. Rather, the evidence on the record of this review indicates that the same individuals who appointed the village committee members also decided how Huanri General's profits are distributed, consistent with Article 19 of the Village Committee Law.

With respect to whether Huanri General has the authority to negotiate and sign its own contracts or other agreements, our verification findings note that, after initial deliberations which began in 2001, the village representatives (serving in the capacity of Huanri General's shareholder representatives) decided during 2003 to acquire the funds necessary for establishing a tire production plant as part of Huanri General's operations, consistent with Article 19 of the Village Committee Law. However, to pursue this objective (which required a significant amount of capital), the village representatives had to obtain the entire capital investment amount from the Panjacun Village Committee which subsequently furnished it to Huanri General by obtaining a bank loan (using the villagers' households as collateral) and by providing a portion of its rental income received from land lease agreements (*see* pages 5–6 and 10–12 of the Huanri General verification report). Therefore, we conclude that Huanri General does not have the ability to obtain its own loans. Rather, the evidence on the record of this review indicates that the local government's assistance was required for this purpose.

Therefore, based on the facts noted above, we preliminarily conclude that Huanri General has not demonstrated a *de facto* absence of government control and is therefore not entitled to a separate rate. Although there is no information on the record regarding Huanri General's ability to sign contracts and set its own export prices independent of any governmental authority, the pervasive nature of the interrelationship between the Panjacun Village Committee and Huanri General leads us to conclude that the company is not able to select its own management and make personnel decisions, as well as make its own decisions on the use of its profits, independent of any governmental authority. Thus, on balance, the record points to *de facto* government control of Huanri General. We note that these preliminary results on this issue differ from the final results of the new shipper review regarding Huanri General. The Department reached these results primarily as a result of its preliminary analysis of the Village Committee Law, which on balance leads the Department to conclude that the Panjacun Village Committee is a level of government in the PRC as described above. These results also depend on the Department's preliminary view that it is appropriate to consider that governmental control at the village level can affect the export operations of an enterprise in general. This is consistent with the Department's recently promulgated separate rates application which explicitly requests information regarding local government control (*see Office of AD Enforcement, Separate–Rate Application and Request for Supporting Documentation* on the Import Administration website: http://ia.ita.doc.gov). Finally, there are even more indicia on this record than the record of the *Brake Rotors Fifth New Shipper Review* that the village government and Huanri General are so intertwined that the export operations of Huanri General cannot on balance properly be considered to be independent with respect to Huanri General's export functions. However, the Department recognizes that the articles of the Village Committee Law may be interpreted in different manners. As a result, the Department invites both especial comment as well as additional supporting information on these two considerations. Such information and additional comment is due on June 14, 2005. Rebuttal comments will be due on June 21, 2005. No rebuttal information will be permitted.

Fair Value Comparisons

To determine whether sales of the subject merchandise by CNIM, Golden Harvest, Gren, Hengtai, Hongda, Hongfa, LABEC, LKTLC, Longkou Haimeng, Longkou Jinzheng, Meita, Shanxi Fengkun, Winhere, and ZLAP to the United States were made at prices below normal value (''NV''), we compared each company's export prices (''EPs'') or constructed export prices (''CEPs'') to NV, as described in the ''Export Price,'' ''Constructed Export Price,'' and ''Normal Value'' sections of this notice, below.

Export Price

For each respondent, we used EP methodology in accordance with section 772(a) of the Act for sales in which the subject merchandise was first sold prior to importation by the exporter outside the United States directly to an unaffiliated purchaser in the United States and for sales in which CEP was not otherwise indicated. We made the following company–specific adjustments:

A. *CNIM, Golden Harvest, Hengtai, Hongfa, LKTLC, Longkou Jinzheng, Meita, Shanxi Fengkun, and Winhere*

We calculated EP based on packed, FOB foreign port 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 and foreign brokerage and handling charges in the PRC in accordance with section 772(c) of the Act. Because 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 below for further discussion of our surrogate–country selection). To value foreign inland trucking charges, we used truck freight rates published in *Indian Chemical Weekly* and distance information obtained from the following websites: http://www.infreight.com, http://www.sitaindia.com/Packages/CityDistance.php, http://www.abcindia.com, http://www.eindiatourism.com, and http://www.mapsofindia.com. To value foreign brokerage and handling expenses, we relied on October 1999–September 2000 information reported in the public U.S. sales listing submitted by Essar Steel Ltd. in the antidumping investigation of *Certain Hot–Rolled Carbon Steel Flat Products from India: Final Determination of Sales at Less Than Fair Value*, 67 FR 50406 (October 3, 2001).

CNIM claims that the producer (which supplied it with specific integral brake rotor models) did not incur an expense for the ball bearing cups and lug bolts used in those brake rotor models (*i.e.*, the subject merchandise) which it exported to the United States during the POR because its U.S. customers of those brake rotor models provided these items to its producer free–of-charge. In response to the Department's supplemental questionnaire which further examined its claim, CNIM provided documentation which sufficiently supported its claim that (1) its U.S. customers contracted with PRC ball bearing cup and lug bolts producers and that these producers had indeed delivered the ball bearing cups and lug bolts to CNIM's producer in a certain quantity on a certain date, free–of-charge; and (2) that these free–of-charge ball bearing cups and lug bolts were used in the required quantities for the integral brake rotor models sold to its applicable U.S. customers during the POR.

Therefore, for the reasons mentioned above, the Department has adjusted the U.S. price of those applicable integral brake rotor transactions reported by CNIM by assigning Indian surrogate values to the ball bearing cups and lug bolts used in those integral brake rotor transactions to reflect its U.S. customers' expenditures for these items. This preliminary decision on this matter is consistent with *Brake Rotors from the People's Republic of China: Preliminary Results and Partial Rescission of the Sixth Administrative Review and Preliminary Results and Final Partial Rescission of the Ninth New Shipper Review*, 69 FR 10402, 10407 (March 5, 2004); and *Certain Preserved Mushrooms from the People's Republic of China: Preliminary Results and Partial Rescission of Fifth Antidumping Duty Administrative Review*, 70 FR 10965, 10973 (March 5, 2005).

B. Gren, Laizhou Hongda, LABEC, Longkou Haimeng, and ZLAP

We calculated EP based on packed, CIF, CFR, C&F, or FOB foreign port 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, marine insurance, U.S. import duties and fees (including harbor maintenance fees, merchandise processing fees, and brokerage and handling) and international freight, in accordance with section 772(c) of the Act. As all foreign inland freight and foreign brokerage and handling fees were provided by PRC service providers or paid for in renminbi, we valued these services using the Indian surrogate values discussed above. We valued marine insurance based on a publicly available price quote from a marine insurance provider obtained from http://www.rjgconsultants.com/insurance.html, as used in the antidumping duty investigation of *Certain Malleable Iron Pipe Fittings from the People's Republic of China: Final Results of Antidumping Duty Investigation*, 68 FR 61395 (October 28, 2003) . For international freight (*i.e.*, ocean freight and U.S. inland freight expenses from the U.S. port to the warehouse (where applicable)), we used the reported expenses because each of these six respondents used market–economy freight carriers and paid for those expenses in a market–economy currency (*see, e.g., Brake Rotors from the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 64 FR 9972, 9974 (March 1, 1999)).

LABEC, Longkou Haimeng, and ZLAP each claims that it did not incur an expense for the ball bearing cups and lug bolts used in specific integral brake rotor models (*i.e.*, the subject merchandise) which each respondent exported to the United States during the POR because their U.S. customers of those brake rotor models provided these items to them free–of-charge. In response to the Department's supplemental questionnaire which further examined their claims, LABEC, Longkou Haimeng, and ZLAP each provided documentation which sufficiently supported its claim that (1) its U.S. customers contracted with PRC ball bearing cup and lug bolts producers and that these producers had indeed delivered the ball bearing cups and lug bolts to them in a certain quantity on a certain date, free–of-charge; and (2) that these free–of-charge ball bearing cups and lug bolts were used in the required quantities for the integral brake rotor models sold to their applicable U.S. customers during the POR.

Therefore, for the reasons mentioned above, the Department has adjusted the U.S. price of those applicable integral brake rotor transactions reported by LABEC, Longkou Haimeng, and ZLAP by assigning Indian surrogate values to the ball bearing cups and lug bolts used in those integral brake rotor transactions to reflect their U.S. customers' expenditures for these items.

Constructed Export Price

For Gren, we also calculated CEP in accordance with section 772(b) of the Act. We found that some of Gren's sales during the POR were CEP sales because the sales were made for the account of Gren by its subsidiary in the United States to unaffiliated purchasers. We based CEP on packed, delivered or ex–warehouse prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight and foreign brokerage and handling charges in the PRC, international freight (*i.e.*, ocean freight and U.S. inland freight from the U.S. port to the warehouse), marine insurance, U.S. import duties, and U.S. inland freight expenses (*i.e.*, freight from the plant to the customer). As all foreign inland freight, foreign brokerage and handling, and marine insurance expenses were provided by PRC service providers or paid for in renminbi, we valued these services using the Indian surrogate values discussed above. For international freight (where applicable), we used the reported expense because the respondent used a market–economy freight carrier and paid for those expenses in a market–economy currency.

In accordance with section 772(d)(1) of the Act, we also deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (commissions and credit expenses), and indirect selling expenses (including inventory carrying costs) incurred in the United States. We also made an adjustment for profit in accordance with section 772(d)(3) of the Act.

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. *See Preliminary Results Valuation Memorandum*, dated May 2, 2005, for a detailed explanation of the methodology used to calculate surrogate values (''*Factor Valuation Memo*'').

Section 773(c)(3) of the Act states that ''the factors of production utilized in

producing merchandise include, but are not limited to the quantities of raw materials employed.'' Therefore, the Department is required under the Act to value all inputs (including inputs which the respondent claims were provided to it purportedly free of charge). As explained in the ''Export Price'' section above, certain respondents (*i.e.*, CNIM, LABEC, Longkou Haimeng, and ZLAP) sufficiently support their claim that each of its applicable U.S. customers provided the ball bearing cups and lug bolts to them free–of-charge which were used in specific integral brake rotor models sold to those same U.S. customers. For this reason, we have adjusted, where applicable, these respondents' reported U.S. prices to include the value of ball bearing cups and lug bolts for certain sales of integral brake rotor models in these preliminary results. In addition to making the above–referenced adjustment to these respondents' U.S. prices reported for sales of the subject merchandise which contained ball bearing cups and lug bolts, section 773(c)(3) of the Act requires the Department to value each factor of production used to produce the subject merchandise. Accordingly, for these preliminary results, the Department has valued the ball bearing cups and lug bolts usage amounts reported by these respondents for specific integral brake rotor models by using an Indian surrogate value for each input (*see Factor Valuation Memo*).

For other respondents (*i.e.*, Laizhou Hongda and Winhere) who purchased the ball bearing cups and lug bolts used in their integral brake rotor models sold to the U.S. market during the POR, we used Indian surrogate values to value these inputs (*see also 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 it was necessary to assign in this investigation, 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 April 2003–March 2004 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 website. Where we could not obtain publicly available information 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. We have reason to believe or suspect that prices of inputs from Indonesia, South Korea, and Thailand may have been subsidized. We have found in other proceedings that these countries maintain broadly available, non–industry-specific export subsidies and, therefore, it is reasonable to conclude that there is reason to believe or suspect all exports to all markets from these countries are subsidized. *See Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers From The People's Republic*, 61 FR 66255 (February 12, 1996), and accompanying *Issues and Decision Memorandum* at Comment 1.

Finally, imports that were labeled as originating from an ''unspecified'' country were excluded 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.

Surrogate Valuations

To value lubrication oil, we used January 2003–December 2003 *WTA* average import values from the Philippines because the post–March 2000 Indian import values from *WTA* for this input were all labeled as originating from an ''unspecified'' country, and because the import values from *WTA* for the other recommended surrogate countries (*e.g.*, Indonesia, Pakistan, etc.) either did not provide data on a country–of-origin–specific basis or were unavailable. We adjusted the *WTA* average value for this input for inflation.

We valued electricity using the 2000 total average price per kilowatt hour for ''Electricity for Industry'' as reported in the International Energy Agency's (''IEA's'') publication, *Energy Prices and Taxes, Fourth Quarter, 2003*.

We added an amount for loading and additional transportation charges associated with delivering coal to the factory based on June 1999 Indian price data contained in the periodical *Business Line*.

Section 351.408(c)(3) of the Department's regulations requires the use of a regression–based wage rate. Therefore, to value the labor input, the Department used the regression–based wage rate for the PRC published by Import Administration on our website. The source of the wage rate data is the *Yearbook of Labour Statistics 2002*, published by the International Labour Office (''ILO''), (Geneva: 2002), Chapter 5B: Wages in Manufacturing. *See* the Import Administration website: http://ia.ita.doc.gov/wages/02wages/02wages.html.

To value corrugated paper cartons, nails, plastic bags, plastic sheets/covers, paper sheet, steel strip, particle board, plywood and straps/buckles, tape and pallet wood, we used April 2003–March 2004 average import values from *WTA*. All respondents (with the exception of Golden Harvest, Hengtai, LKTLC, and Longkou Jinzheng) included the weight of the clamps/buckles in their reported steel strip weights since the material of both inputs was the same. Therefore, we valued these factors using the combined weight reported by the respondents.

To value PRC inland freight for inputs shipped by truck, we used Indian freight rates published in the October 2003–April 2004 issues of *Chemical Weekly* and obtained distances between cities from the following websites: http://www.infreight.com and http://www.sitaindia.com/Packages/CityDistance.php.

To value factory overhead (''FOH'') and selling, general and administrative (''SG&A'') expenses, and profit, we used data from the 2003–2004 financial reports of Kalyani Brakes Limited (''Kalyani'') and Rico Auto Industries Limited (''Rico''), and data from the 2002–2003 financial report of Mando Brake Systems India Limited (''Mando''). These Indian companies are producers of the subject merchandise based on data contained in each Indian company's financial reports.

Where appropriate, we did not include in the surrogate overhead and SG&A calculations the excise duty amount listed in the financial reports. We made certain adjustments to the ratios calculated as a result of reclassifying certain expenses contained in the financial reports. For a further discussion of the adjustments made, *see Factor Valuation Memo*.

Preliminary Results of Reviews

We preliminarily determine that the following margins exist during the period April 1, 2003, through March 31, 2004:

BRAKE ROTORS FROM THE PRC
MANDATORY RESPONDENTS

Manufacturer/exporter	Weighted-Average margin (percent)
China National Industrial Machinery Import & Export Corporation	0.49
Hongfa Machinery (Dalian) Co., Ltd.	0.05
Laizhou Automobile Brake Equipment Co., Ltd.	0.17
Laizhou Hongda Auto Replacement Parts Co., Ltd.	0.08
Longkou Haimeng Machinery Co., Ltd.	0.23
Longkou Jinzheng Machinery Co., Ltd.	0.00
Longkou TLC Machinery Co., Ltd.	0.06
Qingdao Gren (Group) Co.	0.18
Qingdao Meita Automotive Industry Company, Ltd.	0.00
Shanxi Fengkun Metallurgical Limited Company	2.57
Xiangfen Hengtai Brake System Co., Ltd.	0.00
Yantai Winhere Auto–Part Manufacturing Co., Ltd.	1.32
Zibo Golden Harvest Machinery Limited Company	0.00
Zibo Luzhou Automobile Parts Co., Ltd.	0.90
PRC–Wide Rate	43.32

We will disclose the calculations used in our analysis to parties to this proceeding 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. Any hearing, if requested, will be held on July 12, 2005.

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, Room B–099, 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 briefs and rebuttal briefs. Case briefs from interested parties may be submitted not later than June 30, 2005, pursuant to 19 CFR 351.309(c). Rebuttal briefs, limited to issues raised in the case briefs, will be due not later than July 7, 2005, pursuant to 19 CFR 351.309(d). Parties who submit case briefs 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

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions for the companies subject to this review directly to CBP within 15 days of publication of the final results of this review. Pursuant to 19 CFR 351.212(b)(1), we will calculate importer- or customer–specific *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. For certain respondents for which we calculated a margin, we do not have the actual entered value because they are either not the importers of record for the subject merchandise or were unable to obtain the entered value data for their reported sales from the importer of record. For these respondents, we intend to calculate individual customer–specific assessment rates by aggregating the dumping margins calculated for all of the U.S. sales examined and dividing that amount by the total quantity of the sales examined. To determine whether the duty assessment rates are *de minimis* (*i.e.*, less than 0.50 percent), in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we will calculate customer–specific *ad valorem* ratios based on export prices.

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any importer or customer–specific assessment rate calculated in the final results of this review is above *de minimis*.

For entries of the subject merchandise during the POR from companies not subject to these reviews, we will instruct CBP to liquidate them at the cash deposit rate in effect at the time of entry. 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 this review and for future deposits of estimated duties, where applicable.

Cash Deposit Requirements

Bonding will no longer be permitted to fulfill security requirements for shipments of brake rotors from the PRC produced and exported by Longkou Jinzheng that are entered, or withdrawn from warehouse, for consumption on or after the publication date of the final result of the new shipper review. The following cash deposit requirements will be effective upon publication of the final results of the new shipper review for all shipments of subject merchandise from Longkou Jinzheng entered, or withdrawn from warehouse, for consumption on or after the publication date: (1) For subject merchandise manufactured and exported by Longkou Jinzheng, no cash deposit will be required if the cash deposit rate calculated in the final results is zero or *de minimis*; and (2) for subject merchandise exported by Longkou Jinzheng but not manufactured by Longkou Jinzheng, the cash deposit rate will continue to be the PRC countrywide rate (*i.e.*, 43.32 percent).

The following deposit requirements will be effective upon publication of the final results of the administrative review for all shipments of brake rotors from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rates for CNIM, Golden Harvest, Gren, Hengtai, Hongda, Hongfa, LABEC, Longkou Haimeng, LKTLC, Meita,

Shanxi Fengkun, Winhere, and ZLAP will be the rates determined in the final results of review (except that if a rate is *de minimis, i.e.*, less than 0.50 percent, no cash deposit will be required); (2) the cash deposit rate for PRC exporters who received a separate rate in a prior segment of the proceeding (which were not reviewed in this segment of the proceeding) will continue to be the rate assigned in that segment of the proceeding (*i.e.*, Luqi, Shenyang Yinghao, and Xumingyuan); (3) the cash deposit rate for the PRC NME entity (including Huanri General and Rotec) will continue to be 43.32 percent; and (4) the cash deposit rate for non–PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC exporter that supplied that exporter.

These 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: May 2, 2005.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. E5–2229 Filed 5–6–05; 8:45 am]

BILLING CODE: 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

(A–588–824)

Certain Corrosion–Resistant Carbon Steel Flat Products From Japan: Notice of Extension of Preliminary Results of Antidumping Duty Administrative Review.

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

EFFECTIVE DATE: May 9, 2005.

FOR FURTHER INFORMATION CONTACT: Christopher Hargett or James Terpstra, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–4161 or (202) 482–3965.

SUPPLEMENTARY INFORMATION:

Background

The Department of Commerce (''the Department'') published an antidumping duty order on certain corrosion–resistant carbon steel flat products from Japan on August 19, 1993. *See Antidumping Duty Order: Certain Corrosion–Resistant Carbon Steel Flat Products from Japan*, 58 FR 44163 (August 19, 1993). Nucor Corporation (''Nucor''), the petitioner, requested that the Department conduct an administrative review of the order. *See Letter from Nucor Corporation*, August 31, 2004. On September 22, 2004, the Department published a notice of initiation of administrative review of the antidumping duty order on certain corrosion–resistant carbon steel flat products from Japan, covering the period of August 1, 2003, to July 31, 2004. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation, In Part*, 69 FR 56745. The preliminary results for this review are currently due no later than May 3, 2005.

Extension of Time Limits for Preliminary Results

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (''the Act''), requires the Department to issue the preliminary results of an administrative review within 245 days after the last day of the anniversary month of an order for which a review is requested. If it is not practicable to complete the review within the time period, section 751(a)(3)(A) of the Act and section 351.213(h)(2) of the Department's regulations allow the Department to extend this deadline to a maximum of 365 days.

Both respondents, JFE and Nippon Steel, have declined to participate in this review. As such, the Department will apply adverse facts available pursuant to section 776(a) and (b) of the Act. The Department has continuing concerns about what the appropriate rate is to assign to JFE and Nippon Steel as adverse facts available. Therefore, the Department determines that it is not practicable to complete the review within the original time period, and is extending the time limit for completion of the preliminary results by 30 days to no later than June 2, 2005. We intend to issue the final results no later than 120 days after publication of the notice of the preliminary results. This notice is being issued and published in accordance with section 751(a)(3)(A) of the Act.

Dated: May 3, 2005.

Barbara E. Tillman,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. E5–2230 Filed 5–6–05; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

(A–570–805, A–428–807, A–412–805)

Sodium Thiosulfate from the People's Republic of China, Germany, and the United Kingdom: Final Results of Sunset Reviews and Revocation of Orders

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

SUMMARY: On February 2, 2005, the Department of Commerce (''Department'') initiated the sunset reviews of the antidumping duty orders on sodium thiosulfate from the People's Republic of China, Germany and the United Kingdom (70 FR 5415). Because the domestic interested parties did not participate in these sunset reviews, the Department is revoking these antidumping duty orders.

EFFECTIVE DATE: March 7, 2005

FOR FURTHER INFORMATION CONTACT: Hilary Sadler, Esq., Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–4340.

SUPPLEMENTARY INFORMATION:

Background

On February 19, 1991, the Department issued antidumping duty orders on sodium thiosulfate from the People's Republic of China, Germany, and the United Kingdom (56 FR 2904). On July 1, 1999, the Department initiated sunset reviews on these orders and later published its notice of continuation of the antidumping duty orders. *See Continuation of Antidumping Duty Orders: Sulfur Chemicals (Sodium Thiosulfate) from the Untied Kingdom, Germany and the People's Republic of China*, 65 FR 11985 (March 7, 2000). On February 2, 2005, the Department initiated the second sunset reviews of these orders.