

**DEPARTMENT OF COMMERCE****International Trade Administration**

(A-122-840)

**Carbon and Certain Alloy Steel Wire Rod from Canada: Extension of Time Limit for Preliminary Results of the Antidumping Duty Administrative Review**

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

**EFFECTIVE DATE:** May 25, 2006.

**FOR FURTHER INFORMATION CONTACT:** Damian Felton or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0133 or (202) 482-0182, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

On October 3, 2005, the Department of Commerce ("the Department") published an opportunity to request an administrative review of the antidumping duty order on carbon and certain alloy steel wire rod from Canada for the period October 1, 2004, to September 30, 2005. See *Antidumping or Countervailing Duty Order, Filing, or Suspended Investigation; Opportunity to Request an Administrative Review*, 70 FR 57558 (October 3, 2005). On October 31, 2005, respondent Ivaco Rolling Mills L.P. (now known as Ivaco Rolling Mills 2004 L.P.) ("IRM"), a producer and exporter of subject merchandise, and respondent Sivaco Ontario Processing (aka Sivaco Ontario, a division of Sivaco Wire Group 2004 L.P.), a processor and exporter of the subject merchandise, requested a review. No other interested parties requested a review. On December 1, 2005, the Department published its notice of initiation of an antidumping administrative review on carbon and certain alloy steel wire rod from Canada. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Deferral of Administrative Reviews*, 70 FR 72107 (December 1, 2005). The preliminary results of this administrative review are currently due July 3, 2006.

**Extension of Time Limit for Preliminary Results**

Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act"), the Department shall issue preliminary results in an administrative review of an antidumping duty order

within 245 days after the last day of the anniversary month of the date of publication of the order for which a review is requested and the final results within 120 days after the date on which the preliminary results are published. However, if it is not practicable to complete the review within the specified time periods, section 751(a)(3)(A) of the Act allows the Department to extend these deadlines to a maximum of 365 days and 180 days, respectively.

Completion of the preliminary results within the originally anticipated time limit, July 3, 2006, is impracticable because this review requires the Department to analyze complex issues regarding IRM's and Sivaco Ontario's corporate structures and their affiliations and corporate relationships. Because it is not practicable to complete the review within the time specified under the Act, in accordance with section 751(a)(3)(A) of the Act, the Department is extending the time limit for completion of the preliminary results by 30 days to August 2, 2006. The deadline for the final results of this administrative review continues to be 120 days after the publication of the preliminary results.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: May 19, 2006.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

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**DEPARTMENT OF COMMERCE****International Trade Administration**

(A-570-875)

**Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review**

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

**SUMMARY:** The Department of Commerce ("the Department") is conducting the second administrative review of the antidumping duty order on non-malleable cast iron pipe fittings ("NMP fittings") from the People's Republic of China ("PRC") covering the period April 1, 2004, through March 31, 2005. We have preliminarily determined that sales have been made below normal value ("NV"). If these preliminary results are adopted in our final results of this

review, 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:** May 25, 2006.

**FOR FURTHER INFORMATION CONTACT:** Will Dickerson, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1778.

**SUPPLEMENTARY INFORMATION:****Background**

On April 7, 2003, the Department published in the **Federal Register** the antidumping duty order on NMP fittings from the PRC. See *Antidumping Duty Order: Non-Malleable Cast Iron Pipe Filings From the People's Republic of China*, 68 FR 16765. On April 1, 2005, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on NMP fittings from the PRC for the period April 1, 2004, through March 31, 2005. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation: Opportunity to Request Administrative Review*, 70 FR 16799. On April 25, 2005, Myland Industrial Co., Ltd. ("Myland") and Buxin Myland (Foundry) Ltd. ("Buxin") requested an administrative review of their sales to the United States during the POR of merchandise produced by Buxin and exported by Myland. The petitioners did not request an administrative review of any parties. On May 27, 2005, the Department published in the **Federal Register** a notice of the initiation of the antidumping duty administrative review of NMP fittings from the PRC for the period April 1, 2004, through March 31, 2005. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 70 FR 30694 ("Initiation Notice").

On May 31, 2005, the Department issued its antidumping questionnaire to Myland. Myland submitted its Section A questionnaire response on June 20, 2005, and its Sections C and D responses on June 27, 2005. On December 2, 2005, the Department published a notice in the **Federal Register** extending the time limit for the preliminary results of review until May

1, 2006. See *Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review: Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China*, 70 FR 72295. From December 2005 to April 2005, the Department issued and Myland responded to four Section A–D supplemental questionnaires.

#### Period of Review

The POR is April 1, 2004, through March 31, 2005.

#### Scope of Order

The products covered by the order are finished and unfinished non-malleable cast iron pipe fittings with an inside diameter ranging from 1/4 inch to 6 inches, whether threaded or un-threaded, regardless of industry or proprietary specifications. The subject fittings include elbows, tees, crosses, and reducers as well as flanged fittings. These pipe fittings are also known as “cast iron pipe fittings” or “gray iron pipe fittings.” These cast iron pipe fittings are normally produced to ASTM A-126 and ASME B.16.4 specifications and are threaded to ASME B1.20.1 specifications. Most building codes require that these products are Underwriters Laboratories (UL) certified. The scope does not include cast iron soil pipe fittings or grooved fittings or grooved couplings.

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

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

#### Nonmarket Economy Country Status

In every case conducted by the Department involving the PRC, the PRC has been treated as a non-market economy (“NME”) country. In accordance with section 771(18)(C)(i) of the the Tariff Act of 1930, as Amended (the “Act”), any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Preliminary Results of 2001–2002 Administrative Review and Partial Rescission of Review*, 68 FR 7500 (February 14, 2003), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of 2001–2002 Administrative Review and Partial Rescission of Review* (December 18, 2003) (“TRBs 2001–2002”). None of the parties to this proceeding has contested such treatment. Therefore, we have treated the PRC as an NME country for purposes of these preliminary results.

#### Surrogate Country

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer's factors of production, valued in a surrogate market–economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the factors of production, the Department shall utilize, to the extent possible, the prices or costs of factors of production in one or more market–economy countries that are at a level of economic development comparable to that of the NME country and are significant producers of comparable merchandise. The sources of the surrogate values are discussed under the “Normal Value” section below and in *Preliminary Results of Review of the Order on Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China: Factor Valuation, Memorandum from Will Dickerson, Case Analyst, through Robert Bolling, Program Manager, Office VIII to the File, dated May 1, 2006* (“Factor Valuation Memo”).

On August 9, 2005, the Department determined that India, Indonesia, Sri Lanka, the Philippines, and Egypt are countries comparable to the PRC in terms of economic development. See *Memorandum from Ron Lorentzen, Acting Director, Office of Policy to Wendy Frankel, Director, China/NME Group, Office 8: Antidumping Duty*

*Administrative Review of Certain Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China (PRC): Request for a List of Surrogate Countries* (“Office of Policy Surrogate Countries Memo”), dated August 9, 2005. Once the countries that are economically comparable to the PRC have been identified, we select an appropriate surrogate country by determining whether an economically comparable country is a significant producer of comparable merchandise and whether the data for valuing the factors of production are reliable, publicly available and contemporaneous. See *Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process* (March 1, 2004), (“Policy Bulletin 04.1”), available at <http://ia.ita.doc.gov/policy/bull04-1.html>.

On December 6, 2005, the Department requested that parties submit comments on surrogate country selection. On December 19, 2005, we received comments from Myland regarding the selection of a surrogate country. On December 20, 2005, we received comments regarding the selection of a surrogate country from Anvil International, Inc., and Ward Manufacturing, Inc. (collectively, “Anvil”), domestic interested parties in this proceeding. Both Anvil and Myland argued that India is the appropriate surrogate country. In this case, we have found that India is a significant producer of comparable merchandise and provides contemporaneous publicly available data to value the factors of production. See *Memo to File through Wendy Frankel and Robert Bolling from Will Dickerson: Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China: Selection of a Surrogate Country*, dated January 25, 2006 (“Surrogate Country Memo”).

Thus, the Department used India as a primary surrogate country, and, accordingly, has calculated NV using Indian prices to value Myland's factors of production, when available and appropriate. The sources of the surrogate factor values are discussed under the “Normal Value” section below and in the *Factor Valuation Memo*. We have obtained and relied upon publicly available information wherever possible. See *Factor Valuation Memo*.

In accordance with 19 CFR 351.301(c)(3)(ii), for the final results in an antidumping administrative review, interested parties may submit publicly available information to value factors of production within 20 days after the date of publication of these preliminary results.

### Separate Rates

In an NME proceeding, the Department presumes that all companies within the country are subject to government control and should be assigned a single antidumping duty rate unless the respondent demonstrates the absence of both *de jure* and *de facto* government control over its export activities. See *Notice of Final Determination of Sales at Less Than Fair Value: Bicycles From the People's Republic of China*, 61 FR 19026, 19027–28 (April 30, 1996). Myland provided specific separate rates information and stated that it met the standards for the assignment of a separate rate. In determining whether companies should receive separate rates, the Department focuses its attention on the exporter rather than the manufacturer, as our concern is the manipulation of dumping margins. See *Notice of Final Determination of Sales at Less Than Fair Value: Manganese Metal from the People's Republic of China*, 60 FR 56045, 56046 (November 6, 1995). In the instant case, the Department considers Myland to be the only exporter of subject merchandise to the United States during the POR. See “Export Price” section, below. Consequently, the Department analyzed whether the exporter of the subject merchandise, Myland, should receive a separate rate.

The Department's separate rate test is not concerned, in general, with macroeconomic, border-type controls (e.g., export licenses, quotas, and minimum export prices), particularly if these controls are imposed to prevent dumping. The test focuses, rather, on controls over the investment, pricing, and output decision-making process at the individual firm level. See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From Ukraine*, 62 FR 61754, 61758 (November 19, 1997); *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279 (November 17, 1997).

To establish whether a firm is sufficiently independent from government-control to be entitled to a separate rate, the Department analyzes each exporting entity under a test arising out of the *Final Determination of Sales at Less Than Fair Value: Sparklers From the People's Republic of China*, 56 FR 20588 (“*Sparklers*”), Comment 1 (May 6, 1991), as modified by *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From*

*the People's Republic of China*, 59 FR 22585, 22586–87 (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* government control over export activities. See *Silicon Carbide*, 59 FR at 22586–87 and *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544 (May 8, 1995).

#### A. Absence of De Jure Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; and (2) any legislative enactments decentralizing control of companies. See *Sparklers* at Comment 1.

Myland has placed on the record statements and documents to demonstrate absence of *de jure* control. In its questionnaire responses, Myland reported that it is an independently owned corporation and does not have any relationship with national, provincial and local governments, including ministries or offices of these governments. See Myland's June 20, 2005, Section A questionnaire response (“AQR”) at page A–2. Myland also stated that it has complete independence with respect to its export activities. See AQR at page A–4. Myland submitted sections of the Company Law of the PRC to demonstrate that there is no centralized control over its export activities. See AQR at Exhibit A–2. Myland also reported that the subject merchandise is not subject to export quotas or export control licenses. See AQR at page A–6. Furthermore, Myland stated that the local Chamber of Commerce does not coordinate any of its export activities. See AQR at page A–7. Myland reported that it is required to obtain business licenses for itself and Buxin, which are issued by the Hong Kong Special Administrative Region and the Industrial and Commercial Administration Bureau of Nanhai District, Fushan City, respectively. See AQR at page A–4. Myland reported that both licenses need to be renewed annually. See AQR at page A–5. We examined the laws and business licenses which Myland provided in its questionnaire responses, and determined that these documents demonstrate the absence of *de jure* control over the export activities and provide evidence demonstrating the absence of government control

associated with Myland's business license.

#### B. Absence of De Facto Control

As stated in previous cases, there is some evidence that certain enactments of the PRC central government have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. See *Silicon Carbide*, 59 FR at 22587. Therefore, the Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government 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* government control of its export functions: (1) Whether the exporter sets its own export prices independent of the government and without the approval of a government authority; (2) whether the respondent has authority to negotiate and sign contracts, and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of its management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses. *Id.*

In support of demonstrating an absence of *de facto* control, Myland has asserted the following: (1) Myland established its own export prices; (2) Myland negotiated contracts without guidance from any government entities or organizations; (3) Myland made its own personnel decisions; and (4) Myland retained the proceeds of its export sales and independently used profits according to its business needs. See AQR at pages A–6 to A–9. Myland's questionnaire responses also indicate that it does not coordinate with other exporters in setting prices. See AQR at page A–7. This information supports a preliminary finding that there is an absence of *de facto* government control of the export functions of Myland. Consequently, we preliminarily determine that Myland has met the criteria for the application of separate rates.

The evidence placed on the record of this administrative review by Myland demonstrates an absence of government control, both in law and in fact, with respect to its exports of the merchandise under review. As a result, for the purposes of these preliminary results, the Department is granting a separate, company-specific rate to Myland, the exporter which shipped the subject

merchandise to the United States during the POR.

#### Date of Sale

The Department's regulations state that "[i]n identifying the date of sale of the subject merchandise or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer's records kept in the ordinary course of business. However, the Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale." See 19 CFR 351.401(i). After examining the questionnaire responses and the sales documentation placed on the record by Myland, we preliminarily determine that shipment date is the most appropriate date of sale for Myland. We made this determination based on evidence on the record which demonstrates that Myland's shipment date is the date on which the material terms of the sale are fixed. Thus, the evidence on the record rebuts the presumption that invoice date is the proper date of sale. See *Notice of Preliminary Determination of Sales at Less Than Fair Value, Partial Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp from the People's Republic of China*, 69 FR 42654, 42663 (July 16, 2004), unchanged in *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).

#### Normal Value Comparisons

To determine whether sales of NMP fittings to the United States by Myland were made at less than NV, we compared export price ("EP") to NV, as described in the "Export Price" and "Normal Value" sections of this notice.

#### Export Price

Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under section 772(c) of the Act.

Myland purchases the subject merchandise from its PRC-based affiliated producer, Buxin, via a PRC

trading company. Because Buxin is affiliated with Myland, the Department views the only function of the PRC trading company as that of facilitating the export of subject merchandise from the PRC. See *Synthetic Indigo From the People's Republic of China; Notice of Final Determination of Sales at Less Than Fair Value*, 65 FR 25706 (May 3, 2000), and accompanying *Issues and Decision Memorandum* at Comment 2. Thus, the "resale" from the PRC trading company to Myland does not form the proper basis for EP under section 772(a) of the Act. Accordingly, we based EP on Myland's sales to unaffiliated U.S. customers in accordance with section 772(a) of the Act. We used EP methodology for all of Myland's U.S. sales, in accordance with section 772(a) of the Act because the subject merchandise was sold directly to an unaffiliated customer in the United States prior to importation and because constructed export price was not otherwise indicated for those transactions.

We calculated EP for Myland based on the packed C.I.F. or ex-factory price to an unaffiliated purchaser in the United States. In order to accurately reflect all of Myland's costs and revenues associated with selling subject merchandise, we made adjustments to the U.S. sales price for only those sales delivered on a C.I.F. basis, in accordance with section 772(c) of the Act. For further explanation, see *Myland Industrial, Ltd. Program Analysis for the Preliminary Results of Review*, dated May 1, 2006 ("*Myland Analysis Memo*"). For certain sales made on a C.I.F. basis, we made additions to the U.S. sales price for "less than full container" surcharges. For C.I.F. sales, we made deductions to the U.S. sales price for movement expenses, in accordance with section 772(c)(2)(A) of the Act. These included domestic inland freight from the plant to the port of exportation, domestic brokerage and handling, ocean freight, and marine insurance.

Myland reported having received revenues and incurred expenses for additional U.S. inland freight activities arranged after the conclusion of the sale to the unaffiliated party. Based on the circumstances of the sales at issue, the Department, however, is only concerned with capturing the selling price to the C.I.F. location. We consider any extra freight costs in the United States to be a separate transaction under the circumstances in this case. Therefore, we did not make adjustments to the U.S. sales price for these separately transacted U.S. inland freight services. Due to the proprietary nature of this

discussion, see *Myland Analysis Memo* for a complete explanation of how the Department is treating the additional U.S. inland freight activities that Myland reported.

#### Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using a factors-of-production methodology if: (1) the merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. The Department will base NV on 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 our normal methodologies. Under section 772(c)(3) of the Act, factors of production include: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. We used factors of production reported by respondents for materials, energy, labor and packing.

In accordance with 19 CFR 351.408(c)(1), the Department will normally use publicly available information to value factors of production, but when a producer sources an input from a market economy and pays for it in market-economy currency, the Department will normally value the factor using the actual price paid for the input. See 19 CFR 351.408(c)(1); see also *Lasko Metal Products, Inc. v. United States*, 43 F.3d 1442, 1445-1446 (Fed. Cir. 1994). However, when the Department has reason to believe or suspect that such prices may be distorted by subsidies, the Department will disregard the NME purchase prices and use surrogate values to determine the NV. See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of the 1998-1999 Administrative Review, Partial Rescission of Review, and Determination Not to Revoke Order in Part*, 66 FR 1953 (January 10, 2001) ("*TRBs 1998-1999*"), and accompanying *Issues and Decision Memorandum* at Comment 1.

It is the Department's consistent practice that, where the facts developed in the United States or third-country countervailing duty findings include the existence of subsidies that appear to be used generally (in particular, broadly available, non-industry specific export subsidies), it is reasonable for the

Department to consider that it has particular and objective evidence to support a reason to believe or suspect that prices of the inputs from the country granting the subsidies may be subsidized. See *TRBs 1998–1999* and accompanying *Issues and Decision Memorandum* at Comment 1; see also, *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of 1999–2000 Administrative Review, Partial Rescission of Review, and Determination Not To Revoke Order in Part*, 66 FR 57420 (November 15, 2001) (“*TRBs 1999–2000*”), and accompanying *Issues and Decision Memorandum* at Comment 1; see also *China National Machinery Imp. & Exp. Corp. v. United States*, 293 F. Supp. 2d 1334, 1338–39 (CIT 2003) (“*China National*”).

With regard to the Indian import-based surrogate values, we have disregarded import prices 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 infer that all exports to all markets from these countries may be subsidized. See *TRBs 1998–1999* and accompanying *Issues and Decision Memorandum* at Comment 1. We also interpret legislative history not to require that we conduct a formal investigation to ensure that such prices are not subsidized. See H.R. Rep. 100–576, at 590 (1988), reprinted in 1988 U.S.C.A.N. 1547, 1623–24. The Department bases its decision on information that is available to it at the time it makes its determination. *Id.* Therefore, we have not used prices from Indonesia, South Korea and Thailand in calculating the Indian import-based surrogate values.

#### Factor Valuations

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by respondents for the POR. To calculate NV, we multiplied the reported per-unit factor quantities by publicly available Indian surrogate values (except as noted below). In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to make them delivered prices. 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 (*i.e.*, where the sales terms for the market-economy inputs were not delivered to the factory). See *Sigma Corp. v. United States*, 117 F.3d 1401, 1407–08 (Fed. Cir. 1997). For a detailed description of all surrogate values used to value Myland's reported factors of production, see *Factor Valuation Memo*.

Myland reported that all of Buxin's inputs to production were sourced from suppliers in NME countries and paid for in NME currency. See *Factor Valuation Memo* for a listing of these inputs. Therefore, we did not use respondents' actual prices for any raw materials purchases. In accordance with past practice, we used data from the Indian Import Statistics as published by the *World Trade Atlas*, from *Chemical Weekly*, or from the *2003/2004 Tata Energy Research Institute's Energy Data Directory & Yearbook* (“*TERI Data*”) in order to calculate surrogate values for Myland's direct and packing material inputs to production. See *Preliminary Determination of Sales at Less Than Fair Value: Certain Artist Canvas from the People's Republic of China*, 70 FR 67412 (November 7, 2005); see also *Polyvinyl Alcohol from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review*, 70 FR 67434 (November 7, 2005). In selecting the best available information for valuing factors of production in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, surrogate values which are non-export average values, most contemporaneous with the POR, product-specific, and tax-exclusive. See *e.g.*, *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004).

Where we could not obtain publicly available information contemporaneous with the POR with which to value factors, we adjusted the surrogate values using, where appropriate, the Indian Wholesale Price Index as published in the *International Financial Statistics* of the International Monetary Fund. See *Factor Valuation Memo*; see also *Tapered Roller Bearings and Parts*

*Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of 2003–2004 Administrative Review and Partial Rescission of Review*, 71 FR 2517, 2522 (January 17, 2006) (“*TRBs 2003–2004*”).

The Department used the Indian Import Statistics to value the following raw material inputs and packing materials that Buxin used to produce the subject merchandise during the POR: Pig Iron, Ductile Iron, Scrap Steel, Limestone, Ferro Silicon, Ferro Manganese, Nodulizer, Sand (for molds), Firewood, Riverbed Sand (for cores), Furan Resin, Varnish, Demolding Powder, Zinc, Vanillin, Wood Crates, Cardboard and Cartons. Also, the Department used *Chemical Weekly* to value Sodium Hydroxide (NaOH). See *Factor Valuation Memo*. The Department valued coking coal using TERI Data. Because the value was from June 2004, we adjusted the rate for inflation. See *Factor-Valuation Memo*.

For furnace labor, casting/mold labor, machining labor, varnishing/painting/drying labor, zinc plating labor and packing labor, consistent with 19 CFR 351.408(c)(3), we used the PRC regression-based wage rate as reported on Import Administration's website, Import Library, Expected Wages of Selected NME Countries, revised in November 2005, <http://ia.ita.doc.gov/wages/index.html>. The source of these wage-rate data is the Yearbook of Labour Statistics 2002, ILO (Geneva: 2002), Chapter 5B: Wages in Manufacturing. Because this regression-based wage rate does not separate the labor rates into different skill levels or types of labor, we have applied the same wage rate to all skill levels and types of labor reported by the respondent. See *Factor Valuation Memo*.

The Department valued water using data from the Maharashtra Industrial Development Corporation ([www.midcindia.org](http://www.midcindia.org)) as it includes a wide range of industrial water tariffs. This source provides 386 industrial water rates within the Maharashtra province from June 2003: 193 for the “inside industrial areas” usage category and 193 for the “outside industrial areas” usage category. See *TRBs 2003–2004*, 71 FR at 2522.

To value electricity and diesel, we used data from the International Energy Agency *Key World Energy Statistics* (2003 edition). Because the values for water, electricity and diesel were not contemporaneous with the POR, we adjusted the values for inflation. See *Factor Valuation Memo*.

We used Indian transport information in order to value the freight-in cost of the raw materials. The Department

determined the best available information for valuing truck freight to be from *www.infreight.com*. This source provides daily rates from six major points of origin to five destinations in India during the POR. The Department obtained a price quote on the first day of each month of the POR from each point of origin to each destination and averaged the data accordingly. See *Factor Valuation Memo*

To value factory overhead, selling, general, and administrative expenses ("SG&A"), and profit, we used the 2003 financial statements of Vishal Malleables Limited ("Vishal") and the 2003–2004 financial statements of Ennore Foundries Limited ("Ennore") and Bhagwati Autocast Limited ("Bhagwati"), all of which are Indian producers of comparable merchandise. From this information, we were able to determine factory overhead as a percentage of the total raw materials, labor and energy ("ML&E") costs; SG&A as a percentage of ML&E plus overhead (*i.e.*, cost of manufacture); and the profit rate as a percentage of the cost of manufacture plus SG&A. For further discussion, see *Factor Valuation Memo*.

**Weighted–Average Dumping Margin**

The weighted–average dumping margin is as follows:

Producer/Manufacturer/ Exporter	Weighted–Average Margin (Percent)
Myland .....	1.81 %

**Disclosure**

The Department will disclose calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of publication of these preliminary results. See 19 CFR 351.310(c). Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs. See 19 CFR 351.310(d). Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. See 19 CFR 351.309(c)(ii). Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 35 days after the date of publication. See 19 CFR 351.309(d). Further, parties submitting written comments should provide the Department with an additional copy of those comments on diskette. The Department will issue the final results of this administrative review, which will include the results of

its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

**Assessment Rates**

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. Within 15 days of the completion of this review, the Department will instruct CBP to assess antidumping duties on all appropriate entries of subject merchandise. The Department will issue appropriate assessment instructions directly to CBP upon completion of this review. We divided the total dumping margins of Myland’s reviewed sales to each importer by the total quantity of Myland’s reviewed sales to that importer to calculate the per–kilogram assessment rate. If these preliminary results are adopted in our final results of review, we will direct 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 Myland will be the rate listed in the final results of review (except if the rate for Myland is *de minimis*, *i.e.*, less than 0.5 percent, no cash deposit will be required); (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) the cash deposit rate for all other PRC exporters will be 75.50 percent, the current PRC–wide rate; and (4) the cash deposit rate for all non–PRC exporters will be the rate applicable to the PRC exporter that supplied that 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 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)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b).

Dated: May 1, 2006.

**David M. Spooner,**  
*Assistant Secretary for Import Administration.*

[FR Doc. E6–8071 Filed 5–24–06; 8:45 am]

**BILLING CODE 3510–DS–S**

**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**Notice of Designation of the Mission-Aransas National Estuarine Research Reserve in Texas**

**AGENCY:** Estuarine Reserves Division, Office of Ocean and Coastal Resource Management, National Ocean Service, National Oceanic and Atmospheric Administration.

**ACTION:** Notice of Designation and availability of Notice of Record of Decision.

**SUMMARY:** Notice is hereby given that the National Oceanic and Atmospheric Administration (NOAA), U.S. Department of Commerce, has designated certain lands and waters of the Mission Aransas estuary in Texas as the Mission-Aransas National Estuarine Research Reserve

On May 3, 2006, Under Secretary of Commerce for Oceans and Atmosphere Vice Admiral Conrad C. Lautenbacher, Jr. USN (Ret.), signed a record of decision and a findings of designation for the Mission-Aransas National Estuarine Research Reserve in Texas pursuant to section 315 of the Coastal Zone Management Act of 1972, as amended, 16 U.S.C. 1461, and its implementing regulations at 15 CFR part 921. The Reserve duly received certification from the State of Texas Coastal Coordination Council that Reserve designation is consistent to the maximum extent practicable with its program. A copy of the official Record of Decision is available for public review from NOAA’s Office of Ocean and Coastal Resource Management at the address below.

**FOR FURTHER INFORMATION CONTACT:** Laurie McGilvray (301) 713–3155 x158, Estuarine Reserves Division, Office of