

Duty New Shipper Review: Honey from Argentina,” dated January 25, 2011. Accordingly, we are initiating a new shipper review of the antidumping duty order on honey from Argentina exported by Villamora, for the period December 1, 2009, through November 30, 2010. We intend to issue the preliminary results of this review no later than 180 days after the date on which this review is initiated, and the final results within 90 days after the date on which we issue the preliminary results. See section 751(a)(2)(B)(iv) of the Act and 19 CFR 351.214(h)(i).

We will instruct U.S. Customs and Border Protection (CBP) to allow, at the option of the importer, the posting, until the completion of the review, of a bond or security in lieu of a cash deposit for certain entries of the subject merchandise exported by Villamora in accordance with section 751(a)(2)(B)(iii) of the Act and 19 CFR 351.214(e). Because Villamora certified that it exports the subject merchandise, the sale of which forms the basis for its new shipper review request, we will instruct CBP to permit the use of a bond only for entries of subject merchandise which Villamora exported.

Interested parties may submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305 and 351.306.

This initiation and this notice are issued and published in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214 and 351.221(c)(1)(i).

Dated: January 25, 2011.

**Christian Marsh,**

*Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.*

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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:** In response to a timely request from NEP Tianjin Machinery Company (“NEP Tianjin”) the Department of Commerce (the “Department”) is conducting the 2009–2010 administrative review of the antidumping duty order on non-

malleable cast iron pipe fittings (“pipe fittings”) from the People's Republic of China (“PRC”). The Department has reviewed shipments of subject merchandise made by NEP Tianjin and has determined that NEP Tianjin made sales below normal value (“NV”) during the period of review (“POR”). If the preliminary results are adopted in our final results of review, we will instruct U.S. Customs and Border Protection (“CBP”) to assess antidumping duties on entries of subject merchandise during the POR for which the importer-specific assessment rates are above *de minimis*.

We invite interested parties to comment on these preliminary results of review. Parties who submit comments are requested to submit with each argument a statement of the issue and a brief summary of the argument. We intend to issue the final results no later than 120 days from the date of publication of this notice.

**DATES:** *Effective Date:* January 31, 2011.

**FOR FURTHER INFORMATION CONTACT:**

Karine Gziryan, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; *telephone:* (202) 482–4081.

**SUPPLEMENTARY INFORMATION:**

**Background**

On April 7, 2003, the Department published an antidumping duty order on pipe fittings from the PRC.<sup>1</sup> The Department received a timely request for review of this antidumping order in accordance with 19 CFR 351.213(b)(2) from NEP Tianjin. On May 28, 2010, the Department published a notice of initiation of an antidumping duty administrative review on pipe fittings from the PRC, in which it initiated a review of NEP Tianjin.<sup>2</sup>

On June 7, 2010, the Department issued the antidumping duty questionnaire to NEP Tianjin. We received a timely questionnaire response from NEP Tianjin. We issued supplemental questionnaires for sections A, C, and D to NEP Tianjin in September and October 2010, followed with secondary supplemental questionnaires for sections C and D in November 2010. We received timely responses from NEP Tianjin to our supplemental questionnaires between

October 20, 2010, and December 8, 2010.

On October 22, 2010, the Department identified India, the Philippines, Indonesia, Thailand, Ukraine, and Peru as a non-exhaustive list of countries that are at a level of economic development comparable to the PRC and for which good quality data is most likely available.<sup>3</sup> In response to the Department's October 22, 2010, letter providing parties with an opportunity to submit comments regarding surrogate country and surrogate value (“SV”) selection, NEP Tianjin submitted surrogate country and SV comments on November 9, 2010, and December 8, 2010, respectively.

On December 7, 2010, the Department extended the deadline for the preliminary results of administrative review until January 31, 2011.<sup>4</sup>

**Period of Review**

The POR is April 1, 2009, through March 31, 2010.

**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 ¼ inch to 6 inches, whether threaded or unthreaded, regardless of industry or proprietary specifications. The subject fittings include elbows, ells, tees, crosses, and reducers as well as flanged fittings. These pipe fittings are also known as “cast iron pipe fittings” or “gray iron pipe fittings.” These cast iron pipe fittings are normally produced to ASTM A-126 and ASME B.16.4 specifications and are threaded to ASME B1.20.1 specifications. Most building codes require that these products are Underwriters Laboratories (UL) certified. The scope does not include cast iron soil pipe fittings or grooved fittings or grooved couplings.

Fittings that are made out of ductile iron that have the same physical characteristics as the gray or cast iron fittings subject to the scope above or which have the same physical characteristics and are produced to ASME B.16.3, ASME B.16.4, or ASTM A-395 specifications, threaded to ASME

<sup>3</sup> See Memorandum from Carole Showers, Director, Office of Policy to Robert Bolling, Program Manager, Operations, NME unit, Office 4, “Request for a List of Surrogate Countries for and Administrative Review of the Antidumping Duty Order on Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China,” dated October 22, 2010 (“Surrogate Countries Memorandum”).

<sup>4</sup> See *Non-Malleable Cast Iron Pipe Fittings From the People's Republic of China: Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 75 FR 75964 (December 7, 2010).

<sup>1</sup> See *Notice of Antidumping Duty Order: Non-Malleable Cast Iron Pipe Fittings From the People's Republic of China*, 68 FR 16765 (April 7, 2003).

<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 75 FR 29976, 29983 (May 28, 2010).

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, 7307.19.30.85. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the order is dispositive.<sup>5</sup>

#### Non-Market-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.<sup>6</sup> In accordance with section 771(18)(C)(i) of the Tariff Act of 1930, as amended ("the Act"), any determination that a country is an NME country shall remain in effect until revoked by the administering authority. None of the parties to this proceeding has contested such treatment. Accordingly, the Department calculated NV in accordance with section 773(c) of the Act, which applies to NME countries.

#### Selection of a Surrogate Country

When the Department conducts an antidumping duty administrative review of imports from an NME country, section 773(c)(1) of the Act directs the Department to base NV, in most cases, on the NME producer's factors of

<sup>5</sup> On April 21, 2009, in consultation with CBP, the Department added the following HTSUS classification to the AD/CVD module for pipe fittings: 7326.90.8588. See Memorandum from Abdelali Elouaradia, Office Director, Import Administration, Office 4 to Stephen Claeys, Deputy Assistant Secretary, Import Administration regarding the Final Scope Ruling on Black Cast Iron Cast, Green Ductile Flange and Twin Tee, antidumping duty order on non-malleable iron cast pipe fittings from China, dated September 19, 2008. See also Memorandum to the file from Karine Gziryan, Financial Analyst, Office 4, regarding Module Update adding Harmonized Tariff Schedule Number for twin tin fitting included in the scope of antidumping order on non-malleable iron cast pipe fittings from China, dated April 22, 2009.

<sup>6</sup> See, e.g., *Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 30758, 30760 (June 4, 2007), unchanged in *Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 60632 (October 25, 2007).

production ("FOPs") valued in a surrogate market-economy country or countries considered appropriate by the Department. In accordance with section 773(c)(4) of the Act, the Department will value FOPs using "to the extent possible, the prices or costs of factors of production in one or more market-economy countries that are—(A) at a level of economic development comparable to that of the NME country, and (B) significant producers of comparable merchandise." Further, pursuant to 19 CFR 351.408(c)(2), the Department will normally value FOPs in a single country.

In the instant review, the Department has identified India, the Philippines, Indonesia, Thailand, Ukraine, and Peru as a non-exhaustive list of countries that are at a level of economic development comparable to the PRC and for which good quality data is most likely available.<sup>7</sup> We use the per capita Gross National Income ("GNI") as the primary basis for determining economic comparability. Once the countries that are economically comparable to the PRC have been identified, the Department selects an appropriate surrogate country by determining whether an economically comparable country is a significant producer of comparable merchandise and whether data for valuing FOPs are both available and reliable. Like the PRC, India has a broad and diverse production base, and the Department has reliable data from India that it can use to value the FOPs.<sup>8</sup> Therefore, the Department has determined that it is appropriate to use India as a surrogate country for the purposes of this administrative review, pursuant to section 773(c)(4) of the Act, based on the following: (1) It is at a similar level of economic development to the PRC; (2) it is a significant producer of identical merchandise; and (3) the Department has reliable data from India that it can use to value the FOPs. Thus, the Department calculated NV using Indian prices when available and appropriate to the FOPs of NEP Tianjin. The Department obtained and relied upon publicly available information wherever possible. In response to the Department's selection of a surrogate country, NEP Tianjin stated that it has no information to indicate that any country other than

<sup>7</sup> See Surrogate Countries Memorandum.

<sup>8</sup> See Memorandum from Karine Gziryan, Senior Financial Analyst, through Robert Bolling, Program Manager, to the File, "Antidumping Duty Administrative Review of Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China—Surrogate Values Memorandum," dated January 24, 2011 ("Surrogate Values Memorandum") at 1–6.

India should be the surrogate country.<sup>9</sup> The sources of the surrogate factor values are discussed under the "Normal Value" section below.<sup>10</sup> In accordance with 19 CFR 351.301(c)(3)(ii), interested parties may submit publicly-available information to value FOPs until 20 days after the date of publication of the preliminary results.<sup>11</sup>

#### Separate Rate

In proceedings involving NME countries, the Department has a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assessed a single antidumping duty rate. It is the Department's policy to assign all exporters of subject merchandise in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.<sup>12</sup> Exporters can demonstrate this independence through the absence of both *de jure* and *de facto* government control over export activities. The Department analyzes each entity exporting the subject merchandise under a test set out in the *Notice of Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991), as further developed in *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994). However, if the Department determines that a company is wholly foreign-owned or located in a market economy, then a separate rate analysis is not necessary to determine whether it is independent from

<sup>9</sup> See Letter from NEP (Tianjin) Machinery to the Secretary of Commerce, "Non-Malleable Cast Iron Pipe Fittings from China: Surrogate Country Selection Response" (November 9, 2010).

<sup>10</sup> See Surrogate Values Memorandum.

<sup>11</sup> In accordance with 19 CFR 351.301(c)(1), for the final results of this administrative review, interested parties may submit factual information to rebut, clarify, or correct factual information submitted by an interested party less than ten days before, on, or after, the applicable deadline for submission of such factual information. However, the Department notes that 19 CFR 351.301(c)(1) permits new information only insofar as it rebuts, clarifies, or corrects information placed on the record. The Department generally will not accept the submission of additional, previously absent-from-the-record alternative SV information pursuant to 19 CFR 351.301(c)(1). See *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in Part*, 72 FR 58809 (October 17, 2007), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>12</sup> See *Separate Rates and Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries*, 70 FR 17233 (April 5, 2005), also available at: <http://ia.ita.doc.gov/policy/index.html>.

government control.<sup>13</sup> NEP Tianjin submitted information indicating that it is a wholly foreign-owned enterprise under Chinese law.<sup>14</sup> Therefore, for the purposes of these preliminary results, the Department finds that it is not necessary to perform a separate-rate analysis with respect to NEP Tianjin.

### Fair Value Comparisons

In accordance with section 777A(d)(2) of the Act, to determine whether NEP Tianjin sold pipe fittings to the United States at less than NV, we compared the constructed export price (“CEP”) of individual transactions of pipe fittings to the NV of pipe fittings, as described in the “U.S. Price” and “Normal Value” sections of this notice.

### U.S. Price

In accordance with section 772(b) of the Act, we based NEP Tianjin’s U.S. price on CEP because the first sale to unaffiliated purchasers were made post importation through its affiliated U.S. company, and export price was not otherwise warranted by the facts on the record. In accordance with section 772(b) of the Act, CEP is the price at which the merchandise under review is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under sections 772(c) and (d) of the Act. The Department calculated CEP for NEP Tianjin based on delivered prices to unaffiliated purchaser in the United States and made deductions, where applicable, from the U.S. sales price for movement expenses in accordance with section 772(c)(2)(A) of the Act. These movement expenses included foreign inland freight from the plant to the port of exportation, foreign brokerage and handling fees, international freight, and U.S. customs duty. In accordance with section 772(d)(1) of the Act, the Department deducted credit expenses and indirect selling expenses for the U.S. price, all of which relate to commercial activity in the United States. Finally, the Department deducted CEP profit, in accordance with section 772(d)(3) and 772(f) of the Act. For details regarding the CEP

<sup>13</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate From the People’s Republic of China*, 64 FR 71104, 71104–71105 (December 20, 1999) (where the respondent was wholly foreign-owned and, thus, qualified for a separate rate).

<sup>14</sup> See NEP Tianjin’s July 7, 2010 Section A Questionnaire Response.

calculation, see NEP Tianjin Analysis Memo.<sup>15</sup>

### Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using an FOP methodology if the merchandise is exported from an NME country and the available 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. When determining NV in an NME context, the Department uses an FOP methodology because the presence of government controls on various aspects of NMEs renders price comparisons and the calculation of production costs invalid under its normal methodologies.<sup>16</sup> Under section 773(c)(3) of the Act, FOPs include, but are not limited to: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. The Department based NV on FOPs reported by the respondent for materials, energy, labor and packing.

Thus, in accordance with section 773(c) of the Act, we calculated NV by adding together the values of the FOPs, overhead, selling, general and administrative (“SG&A”) expenses, profit, and packing costs.<sup>17</sup> We calculated FOP values by multiplying the reported per-unit factor-consumption rates by publicly available SVs (except as discussed below). Specifically, we valued material, labor, energy, and packing by multiplying the amount of the factor consumed in producing subject merchandise by the average unit SV of the factor. In addition, we added freight costs to the surrogate costs that we calculated for material inputs. We calculated freight costs by multiplying surrogate freight rates by the shorter of the reported distance from the domestic supplier to the factory that produced the subject merchandise or the distance from the nearest seaport to the factory that produced the subject merchandise, as

<sup>15</sup> Memorandum from Karine Gziryan, Senior Financial Analyst, through Robert Bolling, Program Manager, to the File, “Analysis Memorandum for NEP (Tianjin) Machinery Company,” dated January 24, 2011 (“NEP Tianjin Analysis Memo”).

<sup>16</sup> See *Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People’s Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Notice of Intent to Rescind in Part*, 70 FR 39744, 39754 (July 11, 2005), unchanged in *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, 2521 (January 17, 2006).

<sup>17</sup> We applied SVs to the FOP, as indicated in the “Selected Surrogate Values” section below.

appropriate. This adjustment is in accordance with the U.S. Court of Appeals for the Federal Circuit (“CAFC”) decision in *Sigma Corp. v. United States*, 117 F.3d 1401, 1407–08 (Fed. Cir. 1997). We calculated surrogate overhead expenses, SG&A expenses, and profit, and added these to the FOP costs.<sup>18</sup>

Consistent with the Department’s determination in *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People’s Republic of China*, 71 FR 29303 (May 22, 2006), and accompanying Issues and Decision Memorandum at Comment 9 (“*Diamond Sawblades*”), unchanged in *Notice of Amended Final Determination of Sales at Less Than Fair Value: Diamond Sawblades and Parts Thereof from the People’s Republic of China*, 71 FR 35864 (June 22, 2006), we will deduct the SV of by-products from NV for the following reasons. First, in the instant administrative review, a careful analysis of the surrogate financial statements reveals that there is no reference to by-products in these statements. Therefore, the Department determines how to treat by-products based on whether the respondent sold or reused by-products. Second, because NEP Tianjin reported that they sold certain by-products, such as scrap iron, the Department has applied the by-product offset to NV. This deduction of scrap iron sold is consistent with accounting principles based on the reasonable assumption that if a company sells a by-product, the by-product necessarily incurs expenses for overhead, SG&A, and profit.<sup>19</sup>

### Selected Surrogate Values

In selecting the SVs, we considered the quality, specificity, and contemporaneity of the data. In selecting the best available information for valuing FOP in accordance with section 773(c)(1) of the Act, the Department’s practice is to select, to the extent practicable, SVs which are non-export average values, most contemporaneous with the POR, product-specific, and tax-exclusive.<sup>20</sup> The record shows that the Indian import statistics represent import data that are

<sup>18</sup> See Surrogate Values Memorandum at 5 and Exhibit 6.

<sup>19</sup> See, e.g., *Diamond Sawblades* at Comment 9.

<sup>20</sup> See, e.g., *Pure Magnesium from the People’s Republic of China: Preliminary Results of 2007–2008 Antidumping Duty Administrative Review*, 74 FR 27090, 27094 (June 8, 2009), unchanged in *Pure Magnesium from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 74 FR 66089 (December 14, 2009).

contemporaneous with the POR, product-specific, and tax-exclusive.

The Department used Indian import statistics to value the raw material and packing material inputs that NEP Tianjin used to produce the merchandise under review during the POR, except where listed below. It is the Department's practice to calculate a SV for various FOP using import statistics of the primary selected surrogate country from Global Trade Atlas ("GTA"), as published by Global Trade Information Services.<sup>21</sup>

In accordance with the *OTCA 1988* legislative history, the Department continues to apply its long-standing practice of disregarding SVs if it has a reason to believe or suspect the source data may be subsidized.<sup>22</sup> In this regard, the Department has previously found that it is appropriate to disregard such prices from India, Indonesia, South Korea and Thailand because we have determined that these countries maintain broadly available, non-industry specific export subsidies.<sup>23</sup> Based on the existence of these subsidy programs that were generally available to all exporters and producers in these countries at the time of the POR, the Department finds that it is reasonable to infer that all exporters from India, Indonesia, South Korea and Thailand may have benefitted from these subsidies. Additionally, we excluded from our calculations imports that were labeled as originating from an unspecified country because we could not determine whether they were from

either an NME country, or from a country with generally available subsidy programs. Where we could only obtain SVs that were not contemporaneous with the POR, we inflated (or deflated) the SVs using the Indian Wholesale Price Index as published in the International Financial Statistics of the International Monetary Fund.<sup>24</sup>

We valued FOPs in the preliminary results of this review using SVs, as follows (see Surrogate Values Memorandum for more specific details). Except as noted below, we valued raw materials (e.g., pig iron, antirust, scrap steel, ferrosilicon) and packing materials using April 2009 through March 2010 weighted-average Indian import values derived from GTA.<sup>25</sup> The Indian import statistics that we obtained from GTA were published by the Directorate General of Commercial Intelligence and Statistics of the Ministry of Commerce of India and are contemporaneous with the POR.<sup>26</sup>

The Department valued truck freight expenses using a per-unit average rate calculated from data on the Infobanc Web site.<sup>27</sup> The logistics section of this Web site contains inland freight truck rates between many large Indian cities. We only selected rates for this value which were contemporaneous with the POR.<sup>28</sup>

We valued electricity using the updated electricity price data for small, medium, and large industries, as published by the Central Electricity Authority, an administrative body of the Government of India, in its publication titled *Electricity Tariff & Duty and Average Rates of Electricity Supply in India*, dated March 2008. These electricity rates represent actual country-wide, publicly-available information on tax-exclusive electricity rates charged to small, medium, and large industries in India. We did not inflate this value because utility rates represent current rates, as indicated by the effective dates listed for each of the rates provided.<sup>29</sup>

On May 14, 2010, the CAFC, in *Dorbest Ltd. v. United States*, 604 F.3d 1363, 1372 (CAFC 2010), found that the "{regression-based} method for calculating wage rates {as stipulated by 19 CFR 351.408(c)(3)} uses data not permitted by {the statutory requirements laid out in section 773 of

the Act (i.e., 19 U.S.C. 1677b(c))}. The Department is continuing to evaluate options for determining labor values in light of the recent CAFC decision. However, for these preliminary results, we have calculated an hourly wage rate to use in valuing the respondent's reported labor input by averaging industry-specific earnings and/or wages in countries that are economically comparable to the PRC and that are significant producers of comparable merchandise.

For the preliminary results of this administrative review, the Department is valuing labor using a simple average industry-specific wage rate using earnings or wage data reported under Chapter 5B by the International Labor Organization ("ILO"). To achieve an industry-specific labor value, we relied on industry-specific labor data from the countries we determined to be both economically comparable to the PRC, and significant producers of comparable merchandise. A full description of the industry-specific wage rate calculation methodology is provided in the Surrogate Values Memorandum. The Department calculated a simple average industry-specific wage rate of \$1.36 for these preliminary results. Specifically, for this review, the Department has calculated the wage rate using a simple average of the data provided to the ILO under Sub-Classification 28 of the ISIC-Revision 3 standard by countries determined to be both economically comparable to the PRC and significant producers of comparable merchandise. The Department finds the two-digit description under ISIC-Revision 3 ("Manufacture of Fabricated Metal Products, Except Machinery and Equipment") to be the best available wage rate SV on the record because it is specific and derived from industries that produce merchandise comparable to the subject merchandise.

Consequently, we averaged the ILO industry-specific wage rate data or earnings data available from the following countries found to be economically comparable to the PRC and are significant producers of comparable merchandise: Ecuador, Egypt Arab Rep., Indonesia, Jordan, Peru, the Philippines, Thailand, and Ukraine. For further information on the calculation of the wage rate, see Surrogate Values Memorandum.

The Department valued brokerage and handling using a fee schedule of brokerage and handling charges for a standardized cargo of goods in India. The fee schedule was compiled based on a survey case study of the procedural requirements for a standard shipment of goods by ocean transport in India that

<sup>21</sup> See *Fresh Garlic From the People's Republic of China: Preliminary Results of New Shipper Reviews and Preliminary Rescission*, in Part, 75 FR 69415, 69420 (November 12, 2010); *Certain Preserved Mushrooms From the People's Republic of China: Preliminary Results of Antidumping Duty New Shipper Review*, 74 FR 50946, 50950 (October 2, 2009), unchanged in *Certain Preserved Mushrooms From the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 74 FR 65520 (December 10, 2009).

<sup>22</sup> See Omnibus Trade and Competitiveness Act of 1988, Conf. Report to Accompany H.R. 3, H.R. Rep. No. 576, 590, 100th Cong., 2nd Sess. (1988) ("*OTCA 1988*").

<sup>23</sup> See, e.g., *Carbazole Violet Pigment 23 from India: Final Results of the Expedited Five-year (Sunset) Review of the Countervailing Duty Order*, 75 FR 13257 (March 19, 2010) and accompanying Issues and Decision Memorandum at 4–5; *Certain Cut-to-Length Carbon-Quality Steel Plate from Indonesia: Final Results of Expedited Sunset Review*, 70 FR 45692 (August 8, 2005) and accompanying Issues and Decision Memorandum at 4; see *Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review*, 74 FR 2512 (January 15, 2009) and accompanying Issues and Decision Memorandum at 17, 19–20; see *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products From Thailand*, 66 FR 50410 (October 3, 2001) and accompanying Issues and Decision Memorandum at 23.

<sup>24</sup> See Surrogate Values Memorandum at 2 and Exhibit 2.

<sup>25</sup> Available online at: <http://www.gtis.com/gta.html>.

<sup>26</sup> See Surrogate Values Memorandum at 2.

<sup>27</sup> Available at: <http://www.infobanc.com/logistics/logtruck.html>.

<sup>28</sup> See Surrogate Values Memorandum at 5.

<sup>29</sup> See Surrogate Values Memorandum at 4.

is published in *Doing Business 2010: India*, by the World Bank. The price list data is contemporaneous with the POR.<sup>30</sup>

We valued water using the revised Maharashtra Industrial Development Corporation water rates.<sup>31</sup> We only selected rates for this value which were contemporaneous with the POR.<sup>32</sup>

Lastly, we valued SG&A expenses, factory overhead costs, and profit using the 2009–2010 financial statements of three Indian producers of comparable merchandise, namely ductile iron fittings, cast iron products and pipe fittings. These producers are: Vishal Malleables Ltd., Truform Techno Products Limited, and Lokesh Foundries (P) Limited. 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 profit as a percentage of the cost of manufacture plus SG&A.<sup>33</sup>

#### Currency Conversion

We made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank. These exchange rates can be accessed at the Web site of Import Administration.<sup>34</sup>

#### Preliminary Results of Review

We preliminarily determine that the following margin exists for NEP Tianjin during the period April 1, 2009, through March 31, 2010.

Company	Antidumping Duty Margin (percent)
NEP (Tianjin) Machinery Company .....	00.00

#### Disclosure, Briefs and Public Hearing

The Department will disclose the calculations used in our analysis to parties to this administrative review within five days of the date of publication of this notice.<sup>35</sup> Case briefs from interested parties may be submitted not later than 30 days of the

date of publication of this notice, pursuant to 19 CFR 351.309(c). Rebuttal briefs, limited to issues raised in the case briefs, will be due five days later, pursuant to 19 CFR 351.309(d). Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument: (1) A statement of the issue and (2) a brief summary of the argument. The Department also requests that interested parties provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. The Department requests that parties submitting written comments also provide the Department with an additional copy of those comments on diskette.

Any interested party may request a hearing within 30 days of publication of this notice.<sup>36</sup> Interested parties, who wish to request a hearing or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration within 30 days of the date of publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed.<sup>37</sup> Issues raised in the hearing will be limited to those raised in the briefs.

The Department will issue the final results of this review, 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.<sup>38</sup>

#### Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of review. If the preliminary results are adopted in our final results of review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), we will calculate importer-specific *ad valorem* 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 sales. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any importer-specific assessment rate

calculated in the final results of this review is above *de minimis*.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(c) of the Act: (1) For the exporters listed above, the cash deposit rate will be that established in the final results of this review (except, if the rate is zero or *de minimis*, no cash deposit will be required); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recently completed review; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 75.50 percent;<sup>39</sup> and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

#### 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.

This administrative review and this notice are published in accordance with sections 751(a)(1) and 777(i) of the Act, 19 CFR 351.213, and 19 CFR 351.221(b)(4).

Dated: January 24, 2011.

**Christian Marsh,**

*Acting Deputy Assistant Secretary for Import Administration.*

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<sup>30</sup> See Surrogate Values Memorandum at 5–6 and Exhibit 8.

<sup>31</sup> The water rates are available online at: <http://www.midcindia.com/water-supply>.

<sup>32</sup> See Surrogate Values Memorandum at 4 and Exhibit 4.

<sup>33</sup> See Surrogate Values Memorandum at 5 and Exhibit 6.

<sup>34</sup> The Import Administration Web site is available at: <http://ia.ita.doc.gov/exchange/index.html>.

<sup>35</sup> See 19 CFR 351.224(b).

<sup>36</sup> See 19 CFR 351.310(c).

<sup>37</sup> See 19 CFR 351.310(c).

<sup>38</sup> See section 751(a)(3)(A) of the Act.

<sup>39</sup> See *Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 72 FR 38563, 38563 (July 13, 2007).