

applicable deadline specified in section 351.218(d)(1)(i) of the Department's regulations. Domestic interested parties claimed interested-party status under section 771(9)(C) of the Act as producers of the domestic like product.

The Department also received complete substantive responses from the domestic interested parties within the 30-day deadline specified in the Department's regulations under section 351.218(d)(3)(i). The Department did not receive a substantive response from the Russian government or any Russian producer/exporter of the subject merchandise. On August 16, 2011, the Department determined that the substantive responses from the domestic interested parties were adequate, consistent with the requirements of section 351.218(e)(1)(i)(A). *See* Memorandum to Sally C. Gannon, Director for Bilateral Agreements, Office of Policy, from Maureen Price, Senior Policy Analyst, Office of Policy, regarding "Sunset Review of the Agreement Suspending the Antidumping Investigation of Uranium from the Russian Federation: Adequacy Determination" (August 16, 2011). Based on the lack of any substantive response from respondent interested parties, the Department also determined to conduct an expedited (120-day) sunset review, in accordance with 19 CFR 351.218(e)(1)(ii)(C)(2). *See Id.* *See also* Letter from Barbara E. Tillman, Director, Office 6, AD/CVD Operations, to Catherine DeFilippo, Director, Office of Investigations, International Trade Commission (August 22, 2011).

#### Analysis of Comments Received

All issues raised by interested parties in this sunset review are addressed in the "Issues and Decision Memorandum for the Third Sunset Review of the Agreement Suspending the Antidumping Duty Investigation on Uranium from the Russian Federation; Final Results," to Paul Piquado, Assistant Secretary for Import Administration, from Carole Showers, Acting Deputy Assistant Secretary for Policy and Negotiations (October 28, 2011) ("Issues and Decision Memorandum"), which is adopted by this notice. The issues, and corresponding recommendations, discussed in the Issues and Decision Memorandum include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail were the suspended antidumping duty investigation to be terminated. The Issues and Decision Memorandum is a public document and is on file electronically via Import Administration's Antidumping and

Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). Access to IA ACCESS is available in the Central Records Unit ("CRU"), room 7046, of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://www.trade.gov/ia/frn>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

#### Final Results of Review

We determine that termination of the Suspension Agreement and the underlying antidumping duty investigation on uranium from Russia would likely lead to a continuation or recurrence of dumping at the following percentage weighted-average margin:

Exporter/manufacturer	Weighted-average margin (percent)
Russia-Wide .....	115.82

This notice also serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Tariff Act.

Dated: October 28, 2011.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-975]

#### Galvanized Steel Wire From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

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

**DATES:** *Effective Date:* November 4, 2011.

**SUMMARY:** We preliminarily determine that galvanized steel wire from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice. Pursuant to a request from an interested party, we are postponing the final determination by 60 days and extending provisional measures from a four-month period to not more than six months. Accordingly, we will make our final determination not later than 135 days after publication of the preliminary determination.

#### FOR FURTHER INFORMATION CONTACT:

Irene Gorelik, Katie Marksberry or Kabir Archuletta, 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) 482-6905, (202) 482-7906, or 482-2593, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Initiation

On March 31, 2011, the Department of Commerce ("Department") received an antidumping duty petition concerning imports of galvanized steel wire from the PRC, filed in proper form by Davis Wire Corporation, Johnstown Wire Technologies, Inc., Mid-South Wire Company, Inc., National Standard, LLC and Oklahoma Steel & Wire Company, Inc. (collectively, "Petitioners").<sup>1</sup> On April 20, 2011, the Department initiated an antidumping duty investigation of

<sup>1</sup> See Petitions for the Imposition of Antidumping Duties on Galvanized Steel Wire from Mexico and Antidumping and Countervailing Duties on Galvanized Steel Wire from the People's Republic of China filed on March 31, 2011 (the "Petition").

galvanized steel wire from the PRC.<sup>2</sup> Additionally, in the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate-rate status in non-market economy (“NME”) investigations.<sup>3</sup>

On May 16, 2011, the United States International Trade Commission (“ITC”) issued its affirmative preliminary determination that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from the PRC of galvanized steel wire. The ITC’s preliminary determination was published in the *Federal Register* on May 20, 2011.<sup>4</sup>

### Period of Investigation

The period of investigation (“POI”) is July 1, 2010, through December 31, 2010. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (March 31, 2011).<sup>5</sup>

### Scope of the Investigation

The scope of this investigation covers galvanized steel wire which is a cold-drawn carbon quality steel product in coils, of solid, circular cross section with an actual diameter of 0.5842 mm (0.0230 inch) or more, plated or coated with zinc (whether by hot-dipping or electroplating).

Steel products to be included in the scope of this investigation, regardless of Harmonized Tariff Schedule of the United States (“HTSUS”) definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is two percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 1.50 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.02 percent of boron, or
- 0.10 percent of molybdenum, or

<sup>2</sup> See *Galvanized Steel Wire from the People’s Republic of China and Mexico: Initiation of Antidumping Duty Investigations*, 76 FR 23548 (April 27, 2011) (“*Initiation Notice*”).

<sup>3</sup> See *id.*, at 76 FR 23553.

<sup>4</sup> See Investigation Nos. 701–TA–479 and 731–TA–1183–1184 (Preliminary), *Galvanized Steel Wire From China and Mexico*, 76 FR 29266 (May 20, 2011).

<sup>5</sup> See 19 CFR 351.204(b)(1).

- 0.10 percent of niobium, or
- 0.41 percent of titanium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

Specifically excluded from the scope of this investigation is galvanized steel wire in coils of 15 feet or less which is pre-packed in individual retail packages. The products subject to this investigation are currently classified in subheadings 7217.20.30 and 7217.20.45 of the HTSUS which cover galvanized wire of all diameters and all carbon content. Galvanized wire is reported under statistical reporting numbers 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540, 7217.20.4550, 7217.20.4560, 7217.20.4570, and 7217.20.4580. These products may also enter under HTSUS subheadings 7229.20.0015, 7229.20.0090, 7229.90.5008, 7229.90.5016, 7229.90.5031, and 7229.90.5051. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise is dispositive.

### Scope Comments

In accordance with the preamble to the Department’s regulations, see *Preamble*, 62 FR at 27323, in our *Initiation Notice* we set aside a period of time for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice*.

On May 10, 2011, we received comments from Qingdao Ant Hardware Manufacturing Co., Ltd. (AHM) concerning the scope of this investigation.<sup>6</sup> In its submission, AHM requested that the Department exclude from the scope of the investigation certain steel wire pre-packed in retail packaging.<sup>7</sup> AHM stated that this type of wire is typically sold in pre-packed, retail packages having inner diameters of 2.25 to 8 inches and with lengths of 25 to 250 feet and, furthermore, is generally sold in retail stores that do not carry industrial or commercial building products. AHM further commented that pre-packed retail steel wire of the aforementioned lengths is not contemplated to be within the scope of this investigation, as the wire is non-industrial, retail-ready and for individual/home use. Specifically, AHM requested that the Department exclude

<sup>6</sup> See Letter from Qingdao Ant Hardware Manufacturing Co., Ltd. to the Department, titled “Scope Comments in the Antidumping and Countervailing Duty Investigations of Galvanized Steel Wire from China and Mexico,” dated May 10, 2011 (“AHM Scope Comments”).

<sup>7</sup> See *id.*, at 2.

from the scope of this investigation “galvanized steel wire \* \* \* sold in retail packaging where the pre-packaged length is no more than 300 feet, regardless of the diameter (gauge) of the wire.”<sup>8</sup> Also on May 10, 2011, we received scope comments from Shanghai Bao Zhang Industry Co., Ltd., Anhui Bao Zhang Metal Products Co., Ltd., and B&Z Galvanized Wire Industry (collectively, Baozhang), requesting that the Department exclude from the scope of the investigation galvanized steel wire with a diameter of less than one millimeter.<sup>9</sup> In its comments, Baozhang states that it has been a reliable source of this smaller-gauged wire to U.S. producers of stucco netting because the U.S. galvanized wire industry does not offer this gauge wire with a diameter of less than one millimeter. As such, Baozhang requests that the Department exclude from the scope of this investigation such material since any alleged injury experienced by the U.S. industry cannot be related to imports of this product.<sup>10</sup>

On May 10, 2011, the Department also received comments from two U.S. producers of stucco netting, Tree Island Wire (USA), Inc. (Tree Island) and Preferred Wire Products, Inc., (Preferred Wire) both supporting the position that galvanized steel wire less than 1 millimeter in diameter be excluded from the scope of the investigation.<sup>11</sup>

Petitioners filed rebuttal comments regarding the scope exclusion requests by AHM and Baozhang on June 22, 2011.<sup>12</sup> In its comments, Petitioners state that despite AHM’s contention that retail-ready, shorter strands of galvanized wire are purely for non-industrial, personal use, this galvanized

<sup>8</sup> See *id.*, at 4; In the AHM Scope Comments, AHM had originally and inadvertently specified a maximum pre-packed length of 30 feet. AHM subsequently filed an additional submission on June 17, 2011, correcting this language, and clarifying that the reference to “30 feet” was intended to reference “300 feet.” AHM requested that these products also be excluded from the scope of the antidumping investigation covering galvanized wire from the People’s Republic of China.

<sup>9</sup> See Letter from Baozhang to the Department, titled “Comments on Scope Issues: Investigation of the Galvanized Steel Wire from the People’s Republic of China,” dated May 10, 2011 (“Baozhang Scope Comments”).

<sup>10</sup> See *id.*, at 2.

<sup>11</sup> See Letter from Tree Island to the Department, titled “Scope Comments in the Investigation of Galvanized Steel Wire from China,” dated May 10, 2011; Letter from Preferred Wire to the Department, titled “Scope Comments in the Investigation of Galvanized Steel Wire from China,” dated May 10, 2011.

<sup>12</sup> See Letter from Petitioners to the Department, titled “Galvanized Steel Wire from Mexico and China—Petitioners’ Comments on Respondents’ Scope Requests,” dated June 22, 2011 (“Rebuttal Scope Comments”).

wire is covered by the scope of this investigation. We preliminarily determine that the material described by AHM is subject to the scope of this investigation and constitutes a product for which Petitioners are seeking relief. However, Petitioners state that galvanized wire in coils of 15 feet or less, which are pre-packed in individual retail packages, may be excluded from the scope of the investigation as they are not seeking relief for this specific product. Accordingly, and as noted above, we have excluded such merchandise from the scope of this investigation.

Finally, with regard to the remaining comments concerning the exclusion of galvanized wire of a diameter less than one millimeter, Petitioners state a diameter less than one millimeter is covered by the scope of this investigation. We preliminarily find that such merchandise is subject to the scope of this investigation and is a product for which Petitioners are seeking relief.

#### Quantity and Value and Respondent Selection

In the *Initiation Notice*, the Department stated that after considering the large number of producers and exporters of galvanized steel wire from the PRC identified by Petitioners, and considering the resources that must be utilized by the Department to mail quantity and value ("Q&V") questionnaires to all 279 identified producers and exporters, the Department determined to limit the number of Q&V questionnaires sent out to exporters and producers<sup>13</sup> based on U.S. Customs and Border Protection ("CBP") data for U.S. imports under the HTSUS numbers 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540,

<sup>13</sup> The Department sent Q&V questionnaires to the following 28 companies: Anhui Baozhang Metal Products Limited; Anping Shuangmai Metal Products Co., Ltd.; Anping Xinhong Wire Mesh Co. Ltd.; Beijing Catic Industry Limited.; Benxi Wasainuo Metal Packaging Production Co., Ltd.; China National Electronics Imp. & Exp. Ningbo Co., Ltd.; Dezhou Hualude Hardware Products Co. Ltd.; Easen Corp.; Ecms O/B Tianjin Huayuan Metal Wire; Fasten Group Imp. & Exp. Co. Ltd.; Hebei Cangzhou New Century Foreign Trade; Hebei Dongfang Hardware And Mesh Co., Ltd.; Hebei Longda Trade Co., Ltd.; Hebei Minmetals Co. Ltd.; Huanghua Yufutai Hardware Products Co., Ltd.; M & M Industries Co., Ltd.; Maccaferri (Changsha) Enviro-Tech Co.; Nantong Long Yang International Trade Co., Ltd.; Shaanxi New Mile International Trade Co. Ltd.; Shandong Hualing Hardware & Tools Co. Ltd.; Shanghai Baozhang Industry Co. Ltd.; Shanghai Multi-development Enterprises; Shanghai Seti Enterprise Int'l Co., Ltd.; Shanghai Suntec Industries Co., Ltd.; Tianjin Jing Weida International Trade Co., Ltd.; Tianjin Jinhai Yicheng Metal Products Co. Ltd.; Tianjin Pcss Trading Co., Ltd.; and Weifang Hecheng International Trade Co., Ltd.

7217.20.4550, 7217.20.4560, 7217.20.4570, and 7217.20.4580. These are the same HTSUS numbers used by Petitioners to demonstrate that dumping occurred during the POI, are referenced in the scope of the investigation above, and closely match the merchandise under consideration.<sup>14</sup> Of the 28 companies to which we sent Q&V questionnaires, we received ten Q&V responses.<sup>15</sup> We also received 14 unsolicited Q&V responses.<sup>16</sup>

After considering comments submitted by certain interested parties, on June 9, 2011, the Department selected three mandatory respondents for individual examination: Tianjin Honbase Machinery Manufactory Co., Ltd. ("Tianjin Honbase"); Tianjin Huayuan Metal Wire Products Co., Ltd. ("Tianjin Huayuan"); and Tianjin Jinghai Yicheng Metal Products Co., Ltd. ("Tianjin Jinghai"). These companies account for the largest volume of exports of galvanized steel wire, based on the Q&V responses, to the United States that can be reasonably examined.<sup>17</sup>

On June 21, 2009, Tianjin Jinghai filed a letter stating that it would not participate as a mandatory respondent in this investigation.<sup>18</sup> On June 29, 2011, the Department selected Baozhang as a replacement mandatory respondent, as Baozhang was the next largest producer/exporter of galvanized steel wire by volume.<sup>19</sup> The Department

<sup>14</sup> See *Initiation Notice*, 76 FR at 23553.

<sup>15</sup> We received Q&V responses from the following companies to which we issued a Q&V questionnaire: Anhui Baozhang Metal Products Limited ("Baozhang"); Dezhou Hualude Hardware Products Co. Ltd.; Fasten Group Imp. & Exp. Co. Ltd.; Hebei Cangzhou New Century Foreign Trade; Hebei Minmetals Co. Ltd.; M & M Industries Co., Ltd.; Shaanxi New Mile International Trade Co. Ltd.; Shanghai Baozhang Industry Co. Ltd.; Shanghai Seti Enterprise Int'l Co., Ltd.; and Tianjin Jinghai Yicheng Metal Products Co. Ltd.

<sup>16</sup> We received unsolicited Q&V responses from the following companies: Huanghua Jinhai Hardware Products Co., Ltd.; Huanghua Jinhai Import and Export Trading Co., Ltd.; Shandong Minmetals Co., Ltd.; Shanxi Yuci Broad Wire Products Co., Ltd.; Shijiazhuang Kingway Metal Products Co., Ltd.; Suntec Industries Co., Ltd.; Tianjin Honbase Machinery Manufactory Co., Ltd.; Tianjin Tianxin Metal Products Co., Ltd.; Tianjin Huayuan Metal Wire Products Co., Ltd.; Tianjin Huayuan Times Metal Products Co., Ltd.; Tianjin Mei Jia Hua Trade Co., Ltd.; Qingdao Ant Hardware Manufacturing Co., Ltd.; Xi'an Metals and Minerals Import and Export Co., Ltd.; and Guizhou Wire Rope Inc., Co.

<sup>17</sup> See "Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, from James C. Doyle, Director, Office 9: Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China: Respondent Selection," dated June 9, 2011.

<sup>18</sup> See Letter from Tianjin Jianghai dated June 21, 2011.

<sup>19</sup> See "Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and

issued the NME questionnaire to Baozhang on June 29, 2011.

#### Questionnaires

On June 9, 2011, the Department issued to the mandatory respondents the NME questionnaire with product characteristics used in the designation of CONNUMs and assigned to the merchandise under consideration. The Department issued supplemental questionnaires to Tianjin Huayuan, Tianjin Honbase, and Baozhang between July 2011 and October 2011.

#### Surrogate Country Comments

On June 20, 2011, the Department determined that Colombia, Indonesia, the Philippines, South Africa, Thailand, and Ukraine are countries whose per capita gross national income are comparable to the PRC in terms of economic development.<sup>20</sup> On June 21, 2011, the Department requested comments from the interested parties regarding the selection of a surrogate country. On August 2, 2011, the Department extended the deadline for the submission of surrogate country and factor valuation comments to August 15, 2011, and September 1, 2011, respectively. On August 15, 2011, Petitioners, Tianjin Honbase, Tianjin Huayuan, and Baozhang submitted surrogate country comments. For a detailed discussion of the selection of the surrogate country, see "Surrogate Country" section below.

#### Surrogate Value Comments

On September 1, 2011, Petitioners, Tianjin Huayuan, Tianjin Honbase, and Baozhang submitted surrogate factor valuation comments and data. On September 12, 2011, Petitioners and Baozhang submitted rebuttal surrogate factor valuation comments.

#### Separate-Rates Applications

Between June 13, 2011, and June 28, 2011, we received separate rate applications from 21 companies.<sup>21</sup> See

Countervailing Duty Operations, from James C. Doyle, Director, Office 9: Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China, re: Selection of an Additional Mandatory Respondent," dated June 29, 2011 ("Replacement Respondent Selection Memo").

<sup>20</sup> See "Memorandum from Carole Showers, Director, Office of Policy, to Catherine Bertrand, Program Manager, China/NME Group, Office 9: Antidumping Investigation of Galvanized Steel Wire from the People's Republic of China (PRC): Request for a List of Surrogate Countries," dated June 20, 2011 ("Surrogate Country List").

<sup>21</sup> The following companies filed separate-rate applications: Dezhou Hualude Hardware Products Co. Ltd.; Xi'an Metals and Minerals Import and Export Co., Ltd.; Hebei Cangzhou New Century Foreign Trade; Guizhou Wire Rope Incorporated Co.; M&M Industries Co. Ltd.; Huanghua Jinhai

the “Separate Rates” section below for the full discussion of the treatment of the separate rate applicants.

### Postponement of Preliminary Determination

On July 13, 2011, Petitioners filed a timely request to postpone the issuance of the preliminary determination by 50 days. On August 4, 2011, the Department published in the **Federal Register** a notice postponing the preliminary antidumping duty determination on galvanized steel wire from the PRC.<sup>22</sup>

Further, on October 19, 2011, Tianjin Honbase requested that, in the event of an affirmative preliminary determination in this investigation, the Department: (1) Postpone its final determination by 60 days, in accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii); and (2) extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2) from a four month period to a six month period. For further discussion, see the “Postponement of Final Determination and Extension of Provisional Measures” section of this notice, below.

### Non-Market-Economy Country

For purposes of initiation, Petitioners submitted LTFV analyses of the PRC as an NME country.<sup>23</sup> The Department considers the PRC to be an NME country. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority.<sup>24</sup> No party has challenged the designation of the PRC as an NME

Import & Export Trading Co. Ltd.; Huanghua Jinhai Hardware Products Co. Ltd.; Fasten Group Imp. & Exp. Co. Ltd.; Shandong Minmetals Co., Ltd.; Shijiazhuang Kingway Metal Products Co., Ltd.; Hebei Minmetals Co. Ltd.; Tianjin Tiaxin Metal Products Co., Ltd. (“TTM”); Tianjin Mei Jia Hua Trade Co., Ltd. (“TMJH”); Tianjin Huayuan Times Metal Products Co., Ltd. (“THTM”); Shanxi Yuci Broad Wire Products Co., Ltd.; Shaanxi New Mile International Trade Co., Ltd.; Shanghai SETI Enterprise International Co., Ltd.; Suntec Industries Co., Ltd.; Shanghai Bao Zhang Industry Co., Ltd.; Anhui Bao Zhang Metal Products Co., Ltd.; and Qingdao Ant Hardware Manufacturing Co., Ltd. (collectively, “separate rate applicants”).

<sup>22</sup> See *Galvanized Steel Wire From the People's Republic of China and Mexico: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 76 FR 47150 (August 4, 2011).

<sup>23</sup> See *Initiation Notice*, 76 FR at 23550.

<sup>24</sup> See *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).

country in this investigation. Therefore, we continue to treat the PRC as an NME country for purposes of this preliminary determination.

### 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 (“FOP”), valued in a surrogate market economy (“ME”) country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (1) At a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.<sup>25</sup> As stated above, the Department determined that Colombia, Indonesia, the Philippines, South Africa, Thailand, and Ukraine are countries whose per capita gross national income are comparable to the PRC in terms of economic development. The sources of the surrogate values (“SVs”) we have used in this investigation are discussed under the “Normal Value” section below.

Petitioners submit that, for purposes of the Department's selection of an appropriate surrogate, Indonesia, South Africa, Thailand, and Ukraine are producers of identical merchandise and, further, that Indonesia, South Africa, and Thailand also are producers of comparable merchandise.<sup>26</sup> Therefore, Petitioners propose these four countries as appropriate candidates for the primary surrogate country in this investigation.

Baozhang, Tianjin Huayuan, and Tianjin Honbase propose that the Department should select the Philippines as the surrogate country in this investigation. All three respondents note that as the Department included the Philippines on the Surrogate Country List, the Department has already found the Philippines comparable in terms of economic development. Further, all three respondents contend that the Philippines is a significant producer of both identical and comparable merchandise.<sup>27</sup> As evidence that the

<sup>25</sup> See *Import Administration Policy Bulletin* 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) (“*Policy Bulletin*”).

<sup>26</sup> See Petitioners' Surrogate Country comments dated August 15, 2011, at page 3.

<sup>27</sup> See Tianjin Huayuan's Surrogate Country Comments dated August 15, 2011, at Exhibit 1

Philippines has producers of identical merchandise, Tianjin Huayuan submitted the financial statements of two Philippine producers of merchandise it claims is identical to galvanized steel wire.<sup>28</sup>

Tianjin Honbase also suggests that, consistent with its established practice, the Department should define “significant producer” in this proceeding as a country that has produced comparable merchandise during the relevant period. Consequently, Tianjin Honbase states that the Department should find that the Philippines is a significant producer of comparable merchandise, based on the data submitted in its comments.

Baozhang and Tianjin Huayuan suggest that the Philippines is the best choice for the surrogate country because publicly available information from Philippine sources is readily available to value the FOPs used to produce galvanized steel wire.<sup>29</sup> Finally, Tianjin Huayuan provided publicly available and contemporaneous financial statements for Philippine producers of identical and comparable merchandise for which the Department is able to calculate overhead, selling, general, and administrative expenses (“SG&A”), and profit. Tianjin Huayuan posits that, for all the above reasons, the Department should select the Philippines as the surrogate country since it best satisfies the requirements pursuant to the statute, the regulations, and the *Policy Bulletin*.

Tianjin Honbase also contends that there is substantial Philippine data for valuing FOPs that are publicly available from the World Trade Atlas (“WTA”) or from the Philippine National Statistics Office (“NSO”), both of which, Tianjin Honbase notes, are readily available to the Department. Tianjin Honbase notes that both NSO data and WTA data are equally acceptable as sources to obtain public and contemporaneous surrogate values for FOPs that will allow the Department to exclude import data from

(containing information regarding the existence of a Galvanized Iron Wire Manufacturers Association and other associations for nail manufactures in the Philippines); Baozhang's Surrogate Country Comments dated August 15, 2011, at Exhibit 1.

<sup>28</sup> See *id.*, at Exhibits 3 and 4. Tianjin Huayuan claims that the financial statements of these companies, Sterling Steel Inc. and Supersonic Manufacturing Inc., indicate that they are producers of galvanized wire.

<sup>29</sup> Both Tianjin Huayuan and Baozhang cite to the Department's recent selection of the Philippines as the surrogate country in the antidumping investigation of Multilayered Wood Flooring from the PRC and the continuing selection of the Philippines in the administrative reviews of the antidumping duty order on Wooden Bedroom Furniture from the PRC. See, e.g., Baozhang's Surrogate Country Comments dated August 15, 2011, at page 3.

NME countries and countries that provide non-industry-specific export subsidies. Lastly, Tianjin Honbase notes that contemporaneous information is available from the International Labor Organization (“ILO”), the World Bank’s Doing Business in the Philippines report, and The Cost of Doing Business in Camarines Sur that will allow the Department to use Philippine data to value labor costs, utility expenses, and transportation and handling.

On August 25, 2011, Tianjin Honbase also filed rebuttal comments to Petitioners’ August 15, 2011, surrogate country comments. Tianjin Honbase argues that Petitioners failed to limit its comments to the selection of a single surrogate country by suggesting that Indonesia, South Africa, Thailand, and Ukraine all are producers of identical merchandise and that each of those countries is comparable with the PRC in terms of economic development, without order of preference. Second, Tianjin Honbase argues that Petitioners have not responded to the Department’s request for information on whether the country is a significant producer of merchandise comparable to the merchandise subject to this investigation. Tianjin Honbase further argues that Petitioners suggest, by omission, that the Philippines is not a producer of merchandise that is either comparable or identical to the merchandise subject to this investigation. Third, Tianjin Honbase contends that Petitioners have not provided any information regarding data availability or the quality of the data available within any of the countries they identified as “appropriate candidates” for the major FOPs and financial statements. Fourth, Tianjin Honbase suggests that Petitioners had ample time to amass information regarding data availability and the quality available within any potential surrogate country, considering the lead time required to file an antidumping duty petition. Therefore, Tianjin Honbase argues, despite this lead time, Petitioners were not able to identify in its surrogate country comments a single producer of merchandise identical or comparable to the merchandise subject to this investigation in any of the six countries identified by the Department as potential surrogate countries. Finally, Tianjin Honbase provides that the four countries that Petitioners suggested as appropriate surrogate countries, namely Indonesia, South Africa, Thailand, and Ukraine, have been previously found by the Department to have benefitted from subsidies or distortive pricing, which,

Tianjin Honbase notes, the Department typically avoids.<sup>30</sup>

#### *Economic Comparability*

As explained in our Surrogate Country List, the Department considers Colombia, Indonesia, the Philippines, South Africa, Thailand, and Ukraine all comparable to the PRC in terms of economic development.<sup>31</sup> Therefore, we consider all six countries as having met this prong of the surrogate country selection criteria satisfied.

#### *Producers of Identical or Comparable Merchandise*

Section 773(c)(4)(B) of the Act requires the Department to value FOPs in a surrogate country that is a significant producer of comparable merchandise. Neither the statute nor the Department’s regulations provide further guidance on what may be considered comparable merchandise. Given the absence of any definition in the statute or regulations, the Department looks to other sources such as the *Policy Bulletin* for guidance on defining comparable merchandise. The *Policy Bulletin* states that “the terms ‘comparable level of economic development,’ ‘comparable merchandise,’ and ‘significant producer’ are not defined in the statute.”<sup>32</sup> The *Policy Bulletin* further states that “in all cases, if identical merchandise is produced, the country qualifies as a producer of comparable merchandise.”<sup>33</sup> Conversely, if identical merchandise is not produced, then a country producing comparable merchandise is sufficient in selecting a surrogate country.<sup>34</sup> Further, when selecting a surrogate country, the statute requires the Department to consider the comparability of the merchandise, not

<sup>30</sup> See Tianjin Honbase’s Rebuttal Comments dated August 25, 2011, at 4–5, citing to *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945 (October 29, 2002); *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 66 FR 50410 (October 3, 2001); *Notice of Initiation of Antidumping Duty Investigations: Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela*, 66 FR 50164, 50168, 50170 (October 2, 2001) (acknowledging that the ITC ultimately determined that imports of wire rod into the United States from South Africa were negligible).

<sup>31</sup> See Surrogate Country List.

<sup>32</sup> See *Policy Bulletin*.

<sup>33</sup> See *id.*

<sup>34</sup> The *Policy Bulletin* also states that “if considering a producer of identical merchandise leads to data difficulties, the operations team may consider countries that produce a broader category of reasonably comparable merchandise.” See *id.*, at note 6.

the comparability of the industry.<sup>35</sup> “In cases where the identical merchandise is not produced, the team must determine if other merchandise that is comparable is produced. How the team does this depends on the subject merchandise.”<sup>36</sup> In this regard, the Department recognizes that any analysis of comparable merchandise must be done on a case-by-case basis:

In other cases, however, where there are major inputs, *i.e.*, inputs that are specialized or dedicated or used intensively, in the production of the subject merchandise, *e.g.*, processed agricultural, aquatic and mineral products, comparable merchandise should be identified narrowly, on the basis of a comparison of the major inputs, including energy, where appropriate.<sup>37</sup>

Further, the statute grants the Department discretion to examine various data sources for determining the best available information.<sup>38</sup> Moreover, while the legislative history provides that the term “significant producer” includes any country that is a significant “net exporter,”<sup>39</sup> it does not preclude reliance on additional or alternative metrics. In this case, because production data of identical or comparable merchandise was not available, we analyzed which of the six countries are exporters of identical or comparable merchandise, as a proxy for production data. We obtained export data using the Global Trade Atlas (“GTA”) for Harmonized Tariff Schedule (“HTS”) 7217.20: Wire, Iron or Non-Alloy Steel, Plated or Coated With Zinc, which is identical to the merchandise under consideration. The GTA data demonstrates that the Philippines was not an exporter of identical merchandise in 2010.<sup>40</sup> However, we also obtained GTA export data for HTS 7217: Wire of Iron or Non-alloy Steel, which can be considered comparable merchandise in this case

<sup>35</sup> See *Sebacic Acid from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 65674 (December 15, 1997) and accompanying Issues and Decision Memorandum at Comment 1 (to impose a requirement that merchandise must be produced by the same process and share the same end uses to be considered comparable would be contrary to the intent of the statute).

<sup>36</sup> See *Policy Bulletin*, at 2.

<sup>37</sup> See *id.*, at 3.

<sup>38</sup> See section 773(c) of the Act; *Nation Ford Chem. Co. v. United States*, 166 F.3d 1373, 1377 (Fed. Cir. 1990).

<sup>39</sup> See Conference Report to the 1988 Omnibus Trade & Competitiveness Act, H.R. Rep. No. 100–576, at 590 (1988).

<sup>40</sup> See “Memorandum to the File, through Catherine Bertrand, Program Manager, Office 9, from Irene Gorelik, Senior Analyst, Office 9, re: Investigation of Galvanized Steel Wire from the People’s Republic of China: Surrogate Values for the Preliminary Determination,” dated concurrently with this notice at Exhibit 4 (“Prelim SV Memo”).

because this basket category represents steel wire products, whether or not galvanized. The GTA data for the comparable merchandise demonstrates that all the countries on the Surrogate Country List are exporters of comparable merchandise.

#### *Significant Producers of Identical or Comparable Merchandise*

As noted above, South Africa, Ukraine, Thailand, Indonesia, and Colombia were exporters of identical merchandise (galvanized steel wire) in 2010, and Philippines, South Africa, Ukraine, Thailand, Indonesia, and Colombia were also exporters of comparable merchandise (steel wire) in 2010. We find that the GTA data demonstrates that in each category, whether exporter of identical merchandise or comparable merchandise, these countries were also significant exporters.<sup>41</sup> Since none of the potential surrogate countries have been disqualified through the above analysis, the Department looks to the availability of SV data to determine the most appropriate surrogate country.

#### *Data Availability*

When evaluating SV data, the Department considers several factors including whether the SV is publicly available, contemporaneous with the POI, represents a broad-market average, from an approved surrogate country, tax and duty-exclusive, and specific to the input. There is no hierarchy among these criteria. It is the Department's practice to carefully consider the available evidence in light of the particular facts of each industry when undertaking its analysis.<sup>42</sup> In this case, because the record does not contain any data or surrogate financial statements for Colombia, Ukraine, or Indonesia, these countries will not be considered for primary surrogate country selection purposes at this time. With respect to South Africa, we find that the four financial statements<sup>43</sup> on the record are not useable because the companies: (1) Did not produce comparable merchandise; or (2) were not primarily dedicated to steel production.<sup>44</sup> As a

result, we find that none of the South African financial statements on the record properly reflect the production experience of the mandatory respondents.

With Colombia, Indonesia, Ukraine and South Africa disqualified, the Department is left with the Philippines and Thailand as potential surrogate countries. Again, we looked to data considerations in selecting the appropriate surrogate country and found that the Global Trade Atlas ("GTA") import statistics for Thai steel wire rod (the main input in producing galvanized steel wire), is more specific than that of the Philippines steel wire rod. In particular, unlike the Philippine steel wire rod import statistics, the Thai GTA data for steel wire rod are more specific to the respondents' steel wire rod inputs, as the Thai GTA steel wire rod HTS data are categorized by varying levels of carbon content (one of the important physical characteristics of galvanized steel wire under investigation). Because the specificity of the inputs is one of the Department's SV selection criteria, and the GTA has been consistently used as a reliable source of import statistics<sup>45</sup> that fulfill the other SV selection criteria, we have selected Thailand as the primary surrogate country over the Philippines. A detailed explanation of the SVs is provided below in the "Normal Value" section of this notice.

#### **Affiliations and Single Entity Determinations**

Section 771(33) of the Act provides that:

The following persons shall be considered to be 'affiliated' or 'affiliated persons':

- (A) Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants;
- (B) Any officer or director of an organization and such organization;
- (C) Partners;
- (D) Employer and employee;

shows its aggregate global steel production and indicates that less than ten percent of its production takes place in South Africa. Furthermore, it is unclear from the information on the record what types of steel products are manufactured by ArcelorMittal in South Africa. Finally, although Murray and Roberts produces some steel in South Africa, through one of its subsidiaries, the financial statement on the record is reflective of its consolidated international business, which includes large construction and engineering subsidiaries and does not indicate the amount or type of steel produced in South Africa.

<sup>45</sup> See, e.g., *Administrative Review of Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 51940 (August 19, 2011) and accompanying Issues and Decision Memorandum at Comment 4.

(E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and such organization;

(F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person;

(G) Any person who controls any other person and such other person.

Additionally, section 771(33) of the Act stipulates that: "For purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person."

Finally, according to 19 CFR 351.401(f)(1) and (2), two or more companies may be treated as a single entity for antidumping duty purposes if: (1) The producers are affiliated, (2) the producers have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities, and (3) there is a significant potential for manipulation of price or production.<sup>46</sup>

#### *Tianjin Honbase*

The record of this investigation demonstrates that Tianjin Honbase, a producer and exporter of galvanized steel wire, and Midwest Air Technologies Inc. ("MAT"), an importer and further manufacturer of galvanized steel wire, are affiliated pursuant to section 771(33)(F) of the Act. Evidence of this affiliation was provided by both companies in their questionnaire responses, ownership/affiliation chart, organization chart, and business licenses/certificates of approval submitted by the companies, which are business proprietary data and discussed in greater detail in the company-specific analysis memo.<sup>47</sup> Additionally, Tianjin Honbase has claimed throughout its numerous questionnaire responses that it is affiliated with MAT, pursuant to the Department's regulations and the statute. Therefore, we preliminarily determine that Tianjin Honbase and MAT are affiliated within the meaning of section 771(33)(F) of the Act.<sup>48</sup>

<sup>46</sup> See 19 CFR 351.401(f)(1) and (2).

<sup>47</sup> See, e.g., Tianjin Honbase's Section A Questionnaire Response dated July 15, 2011, at Exhibit 14–15; Tianjin Honbase's Supplemental Section A questionnaire response dated August 12, 2011, at 8 and Exhibit 5. See also "Memorandum to the File, through Catherine Bertrand, Program Manager, from Kabir Archuleta, Analyst, re: Analysis Memorandum for Tianjin Honbase; Preliminary Determination of the Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China," dated concurrently with this notice ("Honbase Prelim Analysis Memo").

<sup>48</sup> See Honbase Prelim Analysis Memo.

<sup>41</sup> See *id.*

<sup>42</sup> See *Policy Bulletin*.

<sup>43</sup> See Petitioners' Surrogate Value Submission dated September 1, 2011, at Attachments 4A, 4B, 4C, and 4D.

<sup>44</sup> See *id.* Petitioners placed financial statements for four South African companies on the record: Alert Steel Holdings, Palabora Mining Co., Ltd., ArcelorMittal, and Murray and Roberts. Alert Steel Holdings is a reseller of building materials and does not produce any merchandise and Palabora Mining Co., Ltd. is a copper mining and smelting company; although ArcelorMittal is a steel product manufacturer, the financial statement on the record

### Baozhang

Based on the information presented in Baozhang's questionnaire responses, we preliminarily find that Anhui Bao Zhang Metal Products Co., Ltd. is affiliated with Shanghai Bao Zhang Industry Co., Ltd. ("Shanghai Baozhang"), B&Z Galvanized Industry, Inc., and Company A<sup>49</sup> pursuant to sections 771(33)(A) and (F) of the Act, based on ownership and common control. Furthermore, we find that Baozhang and Shanghai Baozhang should be considered as a single entity for purposes of this investigation.<sup>50</sup> In addition to being affiliated, they have production facilities for similar or identical products that would not require substantial retooling and there is a significant potential for manipulation of production based on the level of common ownership and control, shared management, and an intertwining of business operations.<sup>51</sup>

Because the Department finds that Baozhang and Shanghai Baozhang are a single entity, the Department is utilizing the aggregate FOP database Baozhang provided for purposes of the preliminary determination, which includes the FOPs used by Baozhang and Shanghai Baozhang.

### Tianjin Huayuan

Based on the information presented in Tianjin Huayuan's questionnaire responses and various responses submitted by TTM, TMJH, and THTM, we preliminarily find that Tianjin Huayuan is affiliated with TTM, TMJH, and THTM, pursuant to section 771(33)(F) of the Act, based on ownership and common control.<sup>52</sup> In addition to being affiliated, they have production facilities for similar or identical products that would not require substantial retooling and there is a significant potential for manipulation

<sup>49</sup> The identity of this company is business proprietary information; for further discussion of this company, see "Memorandum to Catherine Bertrand, Program Manager, Office 9, from Katie Marksberry, International Trade Analyst, Office 9: Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China: Preliminary Affiliation and Collapsing Determinations for Anhui Bao Zhang Metal Products Co., Ltd.," dated concurrently with this notice ("Baozhang Affiliation Memo").

<sup>50</sup> See 19 CFR 351.401(f).

<sup>51</sup> See 19 CFR 351.401(f)(1) and (2). For a detailed discussion of this issue, see Baozhang Affiliation Memo.

<sup>52</sup> See "Memorandum to Catherine Bertrand, Program Manager, Office 9, from Irene Gorelik, Senior International Trade Analyst, Office 9: Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China: Preliminary Affiliation and Single Entity Determinations for Tianjin Huayuan Metal Wire Products Co., Ltd.," dated concurrently with this notice ("Huayuan Affiliation Memo").

of production based on the level of common ownership and control, shared management, and an intertwining of business operations. Accordingly, because Tianjin Huayuan reported that all four companies operations' are intertwined, as defined under 19 CFR 351.401(f)<sup>53</sup>, we preliminarily determine that Tianjin Huayuan, TTM, THTM, and TMJH should be treated as a single entity (collectively, the "Huayuan Group").<sup>54</sup>

### Separate Rates

Additionally, in the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate rate status in NME investigations.<sup>55</sup> The process requires exporters and producers to submit a separate rate status application.<sup>56</sup>

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 merchandise subject to investigation 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. Exporters can demonstrate this independence through the absence of both *de jure* and *de facto*

<sup>53</sup> Intertwined operations, as defined under CFR 351.401(f), can mean such things as: Through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between the affiliated producers. See Tianjin Huayuan's questionnaire response dated August 9, 2011, at 11.

<sup>54</sup> For a detailed discussion of this issue, see Huayuan Affiliation Memo.

<sup>55</sup> See *Initiation Notice*.

<sup>56</sup> See also *Policy Bulletin 05.1: Separate Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries*, (April 5, 2005), ("Policy Bulletin 05.1") available at <http://ia.ita.doc.gov>. *Policy Bulletin 05.1* states: "{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied galvanized steel wire to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation." See *Policy Bulletin 05.1* at 6.

governmental control over export activities.

The Department analyzes each entity exporting galvanized steel wire under 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"), 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) ("Silicon Carbide"). However, if the Department determines that a company is wholly foreign-owned or located in a market economy ("ME"), then a separate rate analysis is not necessary to determine whether it is independent from government control.

### A. Separate Rate Recipients

#### Wholly Foreign-Owned

One of the mandatory respondents, Tianjin Honbase, reported that it is wholly owned by individuals or companies located in a ME in its questionnaire responses.<sup>57</sup> Therefore, because it is wholly foreign-owned, and we have no evidence indicating that its export activities are under the control of the PRC, a further separate rate analysis is not necessary to determine whether this company is independent from government control.<sup>58</sup> Accordingly, we have preliminarily granted a separate rate to this company.

Additionally, one of the separate rate applicants, Qingdao Ant Hardware Manufacturing Co., Ltd. has also reported that it is wholly foreign-owned,<sup>59</sup> thus, we have preliminarily granted separate rate status to Qingdao Ant Hardware Manufacturing Co., Ltd.

#### Wholly Chinese-Owned Companies

One of the mandatory respondents, Baozhang is a wholly Chinese-owned company. Because the Department has preliminarily determined that Baozhang and its affiliate Shanghai Baozhang are a single entity, their separate rate analysis was conducted in conjunction with one another.

Additionally, the remaining 16 separate rate applicants in this investigation stated that they are wholly

<sup>57</sup> See, e.g., Tianjin Honbase's Section A questionnaire response dated July 5, 2011, at Exhibit 14; see also Honbase Prelim Analysis Memo.

<sup>58</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate From the People's Republic of China*, 64 FR 71104-71105 (December 20, 1999) (where the respondent was wholly foreign-owned, and thus, qualified for a separate rate).

<sup>59</sup> See Separate Rate Application submitted by Qindao Ant Hardware Manufacturing Co., Ltd. dated June 27, 2011.

Chinese-owned companies. Therefore, the Department analyzed whether these 16 companies and the mandatory respondents demonstrated the absence of both *de jure* and *de facto* governmental control over export activities.

#### 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; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies.<sup>60</sup>

The evidence provided by the separate rate applicants supports a preliminary finding of *de jure* absence of governmental control based on the following: (1) An absence of restrictive stipulations associated with the individual exporters' business and export licenses; (2) there are applicable legislative enactments decentralizing control of the companies; and (3) and there are formal measures by the government decentralizing control of companies. With respect to Baozhang,<sup>61</sup> we find that there is sufficient evidence on the record to preliminarily determine that it is free of *de jure* government control. We performed the same analysis for the separate rate applicants and found no instances of *de jure* government control.<sup>62</sup>

#### b. Absence of *De Facto* Control

Typically the Department considers four factors in evaluating whether each respondent is subject to *de facto* governmental control of its export functions: (1) Whether the export prices ("EP") are set by or are subject to the approval of a governmental agency; (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 disposition of profits or financing of

losses.<sup>63</sup> 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 governmental control which would preclude the Department from assigning separate rates. The evidence provided by the separate rate applicants supports a preliminary finding of *de facto* absence of governmental control based on the following: (1) The EP is not set by or subject to the approval of a governmental agency; (2) the respondent has authority to negotiate and sign contracts and other agreements; (3) the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses.

With respect to Baozhang and Honbase,<sup>64</sup> we find that there is sufficient evidence on the record to preliminarily determine that both mandatory respondents are free of *de facto* government control. We performed the same analysis for the separate rate applicants and found no instances of *de facto* government control.<sup>65</sup>

#### c. Companies Receiving a Separate Rate

The Department has preliminarily determined that Tianjin Honbase and Baozhang are eligible for a separate rate. In addition, we have also granted separate rate status to the 16 separate rate applicants that were not selected for individual examination and have demonstrated an absence of government control both in law and in fact.<sup>66</sup>

<sup>63</sup> See *Silicon Carbide*, 59 FR at 22587; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544, 22545 & n.3 (May 8, 1995).

<sup>64</sup> See, e.g., Baozhang's Section A Questionnaire response dated July 20, 2011; Baozhang's separate rate application dated June 27, 2011; Shanghai Baozhang's separate rate application dated June 27, 2011; Tianjin Honbase Section A questionnaire response dated July 5, 2011.

<sup>65</sup> See, e.g., Shaanxi New Mile International Trade Co., Ltd.'s separate rate application dated June 28, 2011.

<sup>66</sup> These companies are: Shijiazhuang Kingway Metal Products Co., Ltd.; Shanxi Yuci Broad Wire Products Co., Ltd.; Huanghua Jinhai Hardware Products Co., Ltd.; Huanghua Jinhai Import & Export Trading Co., Ltd.; Guizhou Wire Rope Incorporated Company; Hebei Minmetals Co., Ltd.; Shandong Minmetals Co., Ltd.; Fasten Group Imp. & Exp. Co., Ltd.; Qingdao Ant Hardware Manufacturing Co., Ltd.; Suntec Industries Co., Ltd.; M & M Industries Co., Ltd.; Shaanxi New Mile International Trade Co., Ltd.; Hebei Cangzhou New Century Foreign Trade Co., Ltd.; Dezhou Hualude Hardware Products Co., Ltd.; Shanghai SETI Enterprise International Co., Ltd.; and Xi'an Metals and Minerals Import and Export Co., Ltd.

The evidence placed on the record of this investigation by the separate rate applicants demonstrates an absence of *de jure* and *de facto* government control with respect to each of the exporters' exports of galvanized steel wire, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*.

#### B. Companies Not Receiving a Separate Rate

The Department is not granting a separate rate to Tianjin Jinghai because it withdrew its participation from this investigation as a selected mandatory respondent, having never provided any evidence demonstrating an absence of government control both in law and in fact. In addition, the 18 companies that were not responsive to the Department's Q&V questionnaire are also not eligible for a separate rate because they never provided any evidence demonstrating an absence of government control both in law and in fact.<sup>67</sup>

Additionally, as noted above, the Department found that Huayuan Group entities are affiliation based on familial relations, positions of directorship or management, and controlling ownership interest, pursuant to sections 771(33)(A), (B), (E), and (G) of the Act.<sup>68</sup> We also noted above that TTM, THTM, and TMJH have all filed separate rate applications on the record indicating their affiliation to one another, guided by the statutory definition of affiliation. Further, we also determined that Tianjin Huayuan and its affiliates comprise a single entity pursuant to 19 CFR 351.401(f). Therefore, the Department evaluated the separate rate eligibility of the entire collapsed Huayuan Group.

The record shows that the collapsed Huayuan Group cannot overcome the presumption of *de jure* and *de facto*

<sup>67</sup> These companies are: Anping Shuangmai Metal Products Co., Ltd.; Anping Xinhong Wire Mesh Co. Ltd.; Beijing Catic Industry Limited; Benxi Wasainuo Metal Packaging Production Co., Ltd.; China National Electronics Imp. & Exp. Ningbo Co., Ltd.; Easen Corp.; Ecms O/B Tianjin Huayuan Metal Wire; Hebei Dongfang Hardware And Mesh Co., Ltd.; Hebei Longda Trade Co., Ltd.; Huanghua Yufutai Hardware Products Co., Ltd.; Maccaferri (Changsha) Enviro-Tech Co.; Nantong Long Yang International Trade Co., Ltd.; Shandong Hualing Hardware & Tools Co. Ltd.; Shanghai Multi-development Enterprises; Shanghai Suntec Industries Co., Ltd.; Tianjin Jing Weida International Trade Co., Ltd.; Tianjin Pcsc Trading Co., Ltd.; and Weifang Hecheng International Trade Co., Ltd.

<sup>68</sup> See "Memorandum to Catherine Bertrand, Program Manager, Office 9, from Irene Gorelik, Senior International Trade Analyst, Office 9: Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China: Preliminary Affiliation and Single Entity Determinations for Tianjin Huayuan Metal Wire Products Co., Ltd.," dated concurrently with this notice ("Huayuan Affiliation Memo").

<sup>60</sup> See *Sparklers*, at 56 FR 20589.

<sup>61</sup> See, e.g., Baozhang's Section A Questionnaire response dated July 20, 2011; Baozhang's separate rate application dated June 27, 2011; Shanghai Baozhang's separate rate application dated June 27, 2011.

<sup>62</sup> See, e.g., Shanghai SETI Enterprise International Co., Ltd.'s separate rate application dated June 27, 2011.



government control,<sup>69</sup> based on the roles of an individual who is in a position to exercise restraint and direction over the Tianjin Huayuan group of companies.<sup>70</sup> For business proprietary reasons noted in the Huayuan Affiliation Memo and Huayuan Prelim Analysis Memo, we preliminarily find that the Huayuan Group has not demonstrated that there is an absence of *de jure* and *de facto* government control by the PRC government. A detailed discussion of this determination is provided in Huayuan Prelim Analysis Memo and Huayuan Affiliation Memo.

### Calculation of Separate Rate

The statute and our regulations do not address directly how we should establish a rate to apply to imports from companies which we did not select for individual examination in accordance with section 777A(c)(2) of the Act in an administrative review. Generally, we have used section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation, as guidance when we establish the rate for respondents not examined individually in an administrative review.<sup>71</sup> Section 735(c)(5)(A) of the Act provides that “the estimated all-others rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, \* \* \*”

Huayuan has not qualified for a separate rate, as explained above, and accordingly it will not receive an individually calculated margin. Furthermore, because using the weighted-average margin based on the calculated net U.S. sales quantities for Honbase and Baozhang would allow these two respondents to deduce each other's business-proprietary information and thus cause an unwarranted release of such information, we cannot assign to

the separate rate companies the weighted-average margin based on the calculated net U.S. sales values from these two respondents.

For these preliminary results, we determine that using the ranged total sales quantities reported by Honbase and Baozhang from the public versions of their submissions, is more appropriate than applying a simple average.<sup>72</sup> These publicly available figures provide the basis on which we can calculate a margin which is the best proxy for the weighted-average margin based on the calculated net U.S. sales values of Honbase and Baozhang. We find that this approach is more consistent with the intent of section 735(c)(5)(A) of the Act and our use of section 735(c)(5)(A) of the Act as guidance when we establish the rate for respondents not examined individually in an administrative review.

Because the calculated net U.S. sales values for Honbase and Baozhang are business-proprietary figures, we find that 127.09 percent, which we calculated using the publicly available figures of U.S. sales quantities for these two firms, is the best reasonable proxy for the weighted-average margin based on the calculated U.S. sales quantities of Honbase and Baozhang.<sup>73</sup>

### Application of Adverse Facts Available, the PRC-Wide Entity and PRC-Wide Rate

Information on the record of this investigation indicates that there were more exporters of galvanized steel wire from the PRC than those indicated in the response to our request for Q&V information during the POI.<sup>74</sup> As stated above, we issued our request for Q&V information to 28 potential PRC producers/exporters of galvanized steel wire. While information on the record of this investigation indicates that there are other producers/exporters of galvanized steel wire in the PRC, we received only ten timely-filed solicited Q&V responses. As noted above, we also received 14 timely-filed, unsolicited Q&V responses, which we considered for respondent selection purposes. Although all producers/exporters were given an opportunity to provide Q&V information, not all producers/exporters

provided a response to the Department's Q&V letter.<sup>75</sup>

As discussed above, Tianjin Jinghai filed a letter stating that it would not participate as a mandatory respondent. Additionally, as discussed above, Tianjin Huayuan will not receive a separate rate. Therefore, the Department has preliminarily determined that there were PRC producers/exporters of galvanized steel wire during the POI that did not respond to the Department's request for information. We have treated these PRC producers/exporters, as part of the PRC-wide entity because they did not qualify for a separate rate.<sup>76</sup> For a detailed discussion, see the “Separate Rate” section above.

Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information that has been requested by the Department, (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act, (C) significantly impedes a proceeding under the antidumping statute, or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Information on the record of this investigation indicates that the PRC-wide entity was unresponsive to the

<sup>75</sup> The following 18 companies were not responsive to the Department's request for Q&V information: Anping Shuangmai Metal Products Co., Ltd.; Anping Xinhong Wire Mesh Co Ltd.; Beijing Catic Industry Limited; Benxi Wasainuo Metal Packaging Production Co., Ltd.; China National Electronics Imp. & Exp. Ningbo Co., Ltd.; Easen Corp.; Ecms O/B Tianjin Huayuan Metal Wire; Hebei Dongfang Hardware And Mesh Co., Ltd.; Hebei Longda Trade Co., Ltd.; Huanghua Yufutai Hardware Products Co., Ltd.; Maccferri (Changsha) Enviro-Tech Co.; Nantong Long Yang International Trade Co., Ltd.; Shandong Hualing Hardware & Tools Co. Ltd.; Shanghai Multi-development Enterprises; Shanghai Suntec Industries Co., Ltd.; Tianjin Jing Weida International Trade Co., Ltd.; Tianjin Pcsc Trading Co., Ltd.; and Weifang Hecheng International Trade Co., Ltd.

<sup>76</sup> See, e.g., *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 74 FR 68232, 68236 (December 23, 2009) unchanged in *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 28560 (May 21, 2010) (“PC Strand Prelim”); see also *Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Preliminary Partial Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof From the People's Republic of China*, 70 FR 77121, 77128 (December 29, 2005), and unchanged 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).

<sup>69</sup> See, e.g., TMJH's Separate Rate Application dated June 27, 2011, at Exhibit 18; Tianjin Huayuan's Questionnaire Response dated October 17, 2011, at Exhibit SA3-1.

<sup>70</sup> For a complete discussion of these business proprietary details, see “Memorandum to the File from Irene Gorelik, Senior Case Analyst: Program Analysis for the Preliminary Determination of Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China: Tianjin Huayuan Metal Wire Products Co., Ltd.,” dated concurrently with this notice (“Huayuan Prelim Analysis Memo”).

<sup>71</sup> See *Notice of Final Results and Partial Rescission Antidumping Duty Administrative Review: Certain Frozen Warmwater Shrimp from the People's Republic of China*, 75 FR 49460 (August 13, 2010); *Certain Pasta from Italy: Notice of Final Results of the Twelfth Administrative Review*, 75 FR 6352 (February 9, 2010), and the accompanying I&D Memo at Comment 2.

<sup>72</sup> See Honbase Supplemental Section CE questionnaire response (Public Version) dated October 12, 2011, at Exhibit 4; see also Bao Zhang Group Resubmission of the Public Version of Exhibit SA-1 for the First Supplemental Section A Response, dated October 3, 2011.

<sup>73</sup> See “Memorandum to the File from Katie Marksberry, International Trade Specialist, Office 9 Re: Calculation of Separate Rate,” dated concurrently with this notice.

<sup>74</sup> See *Respondent Selection Memorandum*.

Department's requests for information. Certain companies: (1) Did not respond to our questionnaires requesting either Q&V information; or (2) withdrew participation from the investigation. As a result, pursuant to section 776(a)(2)(A) of the Act, we find that the use of FA is appropriate to determine the PRC-wide rate.<sup>77</sup>

Section 776(b) of the Act provides that, in selecting from among the facts otherwise available, the Department may employ an adverse inference if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information.<sup>78</sup> We find that, because the PRC-wide entity did not respond to our requests for information, it has failed to cooperate to the best of its ability. Therefore, the Department preliminarily finds that, in selecting from among the FA, an adverse inference is appropriate.

When employing an adverse inference, section 776 of the Act indicates that the Department may rely upon information derived from the petition, the final determination from the less than fair value investigation, a previous administrative review, or any other information placed on the record. In selecting a rate for adverse facts available ("AFA"), the Department selects a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated. It is the Department's practice to select, as AFA, the higher of the: (a) Highest margin alleged in the petition; or (b) the highest calculated rate of any respondent in the investigation.<sup>79</sup> As AFA, we have preliminarily assigned a rate of 235.00 percent to the PRC-wide entity, which is the highest petition rate on the record of this proceeding that can be corroborated.<sup>80</sup> The Department determines that this information is the most appropriate from the available sources to effectuate the purposes of AFA.

<sup>77</sup> See *PC Strand Prelim.*

<sup>78</sup> See *Statement of Administrative Action*, accompanying the Uruguay Round Agreements Act ("URAA"), H.R. Rep. No. 103-316, 870 (1994) ("SAA"); see also *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation*, 65 FR 5510, 5518 (February 4, 2000).

<sup>79</sup> See *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Quality Steel Products from the People's Republic of China*, 65 FR 34660 (May 21, 2000) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>80</sup> See *Initiation Notice*, at 76 FR 23552.

### Corroboration

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation as FA, it must, to the extent practicable, corroborate that information from independent sources reasonably at its disposal. The SAA provides guidance as to what constitutes secondary information. Suggested sources of secondary information include "information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise."<sup>81</sup> The SAA further suggests that to "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value.<sup>82</sup> Independent sources used to corroborate may include, for example, published price lists, official import statistics, and CBP data, and information obtained from interested parties during the particular investigation.<sup>83</sup> To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used.<sup>84</sup>

The AFA rate that the Department used is from the Petition. To corroborate the AFA margin that we have selected, we compared this margin to the model-specific margins we found for the cooperating mandatory respondents. We find that the margin of 235.00 percent has probative value because it is within the range of the non-aberrational, model-specific margins that we found for one of the mandatory respondents during the POI.<sup>85</sup> Accordingly, we find this rate is reliable and relevant,

<sup>81</sup> See SAA at 870.

<sup>82</sup> See *id.*

<sup>83</sup> See *id.*

<sup>84</sup> See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*: 62 FR 11825 (March 13, 1997).

<sup>85</sup> See "Memorandum to the File, from Irene Gorelik, Senior Analyst, re: Corroboration of the PRC-Wide Entity Rate for the Preliminary Determination in the Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China," dated concurrently with this notice.

considering the record information, and thus, has probative value.

The Department's practice, when selecting an AFA rate from among the possible sources of information, has been to ensure that the margin is sufficiently adverse "as to effectuate the statutory purposes of the adverse facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner."<sup>86</sup> As guided by the SAA, the information used as AFA should ensure an uncooperative party does not benefit by failing to cooperate than if it had cooperated fully.<sup>87</sup> Given that 18 producers/exporters did not respond to the Department's requests for information and that Tianjin Jinghai, which is part of the PRC-wide entity, ceased participating in the investigation, the Department concludes that the petition rate of 235.00 percent, as total AFA for the PRC-wide entity, is sufficiently adverse to prevent these respondents from benefitting from their lack of cooperation.<sup>88</sup> Accordingly, we found that the rate of 235.00 percent is corroborated to the extent practicable within the meaning of section 776(c) of the Act. Accordingly, we determine that 235.00 percent is the most appropriate antidumping rate for the PRC-wide entity. The PRC-wide entity rate applies to all entries of galvanized steel wire except for entries from Tianjin Honbase, Baozhang and the 16 producers/exporters receiving a separate rate.

### Date of Sale

19 CFR 351.401(i) states that, "in identifying the date of sale of the merchandise under consideration 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 normal 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.<sup>89</sup> The date of sale is generally the date on

<sup>86</sup> See *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55796 (Aug. 30, 2002); see also *Notice of Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors From Taiwan*, 63 FR 8909, 8932 (Feb. 23, 1998).

<sup>87</sup> See SAA at 870.

<sup>88</sup> See SAA at 870. See *Certain Magnesite Carbon Bricks From the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Critical Circumstances*, 75 FR 45467, August 2, 2010.

<sup>89</sup> See 19 CFR 351.401(i); see also *Allied Tube & Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090-1092 (CIT 2001) ("*Allied Tube*").

which the parties agree upon all substantive terms of the sale. This normally includes the price, quantity, delivery terms and payment terms.<sup>90</sup> In order to simplify the determination of date of sale for both the respondents and the Department and in accordance with 19 CFR 351.401(i), the date of sale will normally be the date of the invoice, as recorded in the exporter's or producer's records kept in the ordinary course of business, unless the Department is satisfied that the exporter or producer establishes the material terms of sale on some other date.<sup>91</sup>

In *Allied Tube*, the Court of International Trade ("CIT") found that a "party seeking to establish a date of sale other than invoice date bears the burden of producing sufficient evidence to 'satisfy' the Department that a different date better reflects the date on which the exporter or producer establishes the material terms of sale."<sup>92</sup> After examining the questionnaire responses and the sales documentation that the respondents placed on the record, we preliminarily determine that the invoice date is the most appropriate date of sale for Tianjin Honbase.<sup>93</sup> However, the appropriate date of sale for Baozhang is the date of shipment from the PRC, because the material terms of sale are set upon shipment from the PRC, not from the latter-issued invoice in the United States.<sup>94</sup>

### Fair Value Comparisons

To determine whether sales of galvanized steel wire to the United States by Tianjin Honbase and Baozhang were made at less-than-fair-value, we compared the EP and/or constructed export price ("CEP") to NV, as described in the "U.S. Price," and "Normal Value" sections of this notice. We compared NV to weighted-average EPs and/or CEPs in accordance with section 777A(d)(1) of the Act.

### U.S. Price

#### A. EP

In accordance with section 772(a) of the Act, we based the U.S. price for certain Tianjin Honbase sales on EP because the first sale to an unaffiliated

purchaser was made prior to importation, and the use of CEP was not otherwise warranted. In accordance with section 772(c) of the Act, we calculated EP by deducting, where applicable, foreign inland freight, foreign brokerage and handling, international freight, and rebates from the gross unit price. We based these movement expenses on surrogate values where a PRC company provided the service and was paid in Renminbi.

#### B. CEP

In accordance with section 772(b) of the Act, we based the U.S. price for certain Tianjin Honbase's sales and all of Baozhang's sales on CEP because the first sale to an unaffiliated customer was made by these two respondents' respective U.S. affiliates.<sup>95</sup> In accordance with section 772(c)(2)(A) of the Act, we calculated CEP by deducting, where applicable, the following expenses from the gross unit price charged to the first unaffiliated customer in the United States: Marine insurance, discounts, rebates, billing adjustments, foreign movement expenses, and international freight, and United States movement expenses, including brokerage and handling. Further, in accordance with section 772(d)(1) of the Act and 19 CFR 351.402(b), where appropriate, we deducted from the starting price the following selling expenses associated with economic activities occurring in the United States: Credit expenses, warranty expenses, other direct selling expenses, and indirect selling expenses. In addition, pursuant to section 772(d)(3) of the Act, we made an adjustment to the starting price for CEP profit. We based movement expenses on either surrogate values, actual expenses, or an average of the two.<sup>96</sup>

<sup>95</sup> We consider these CEP sales because the respondents reported that their respective affiliates in the United States performed sales functions such as: Sales negotiation, issuance of invoices and receipt of payment from the ultimate U.S. customer during the POI. See *Glycine From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Rescission*, in Part, 72 FR 18457 (April 12, 2007) unchanged in Final Results (where the Department stated that "we based U.S. price for certain sales on CEP in accordance with section 772(b) of the Act, because sales were made by Nantong Donchang's U.S. affiliate, Wavort, Inc. {"Wavort"} to unaffiliated purchasers."); *AK Steel Corp., et al., v. United States*, 226 F.3d 1361 (Fed.Cir. 2000).

<sup>96</sup> For details regarding our CEP calculations, see, e.g., Tianjin Honbase Prelim Analysis Memo; see also "Memorandum to the File from Irene Gorelik, Senior Case Analyst: Program Analysis for the Preliminary Determination of Antidumping Duty Investigation of Galvanized Steel Wire from the People's Republic of China: *Anhui Baozhang Metal Products Limited*," dated concurrently with this notice ("Baozhang Prelim Analysis Memo").

#### C. Further Manufacturing

Tianjin Honbase reported that its affiliate in the United States, MAT, further manufactures galvanized steel wire into downstream products. The Department required Tianjin Honbase to complete and file a Section E questionnaire response, which requests data related to cost of further manufacturing or assembly performed in the United States of galvanized steel wire. Based on Tianjin Honbase's responses and data, in accordance with section 772(d)(2) of the Act, the Department has deducted the cost of further manufacturing for sales of galvanized steel wire to which value was added in the United States by MAT prior to sale to unaffiliated customers.<sup>97</sup>

#### Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using a FOP methodology if the merchandise is exported from an NME 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 bases NV on the FOP because the presence of government controls on various aspects of non-market economies renders price comparisons and the calculation of production costs invalid under the Department's normal methodologies.<sup>98</sup>

As the basis for NV, Tianjin Honbase and Baozhang provided FOPs used in each stage for the production of galvanized steel wire (*i.e.*, from drawing steel wire rod into steel wire to completion of the final product: Galvanized steel wire). Additionally, Tianjin Honbase and Baozhang reported that they are integrated producers because these respondents draw steel wire rod into steel wire, then galvanize the steel wire into finished product and provided the FOP information used in these processing stages.

Consistent with section 773(c)(1) of the Act, it is the Department's practice to value the FOPs that a respondent uses to produce galvanized steel wire.<sup>99</sup> If an

<sup>97</sup> See Tianjin Honbase Prelim Analysis Memo.

<sup>98</sup> See, e.g., *Preliminary Determination of Sales at Less Than Fair Value, Affirmative Critical Circumstances, In Part, and Postponement of Final Determination: Certain Lined Paper Products from the People's Republic of China*, 71 FR 19695 (April 17, 2006) ("CLPP") unchanged in *Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, in Part: Certain Lined Paper Products From the People's Republic of China*, 71 FR 53079 (September 8, 2006).

<sup>99</sup> See, e.g., *Preliminary Determination of Sales at Less Than Fair Value: Steel Wire Garment Hangers from the People's Republic of China*, 73 FR 15726,

Continued

<sup>90</sup> See *PSF 2006* at 71 FR 77377.

<sup>91</sup> For instance, in *Notice of Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol From Taiwan*, 61 FR 14064, 14067-14068 (March 29, 1996), the Department used the date of the purchase order as the date of sale because the terms of sale were established at that point.

<sup>92</sup> See *Allied Tube* 132 F. Supp. 2d at 1092.

<sup>93</sup> See Tianjin Honbase's Section A Questionnaire Response dated July 5, 2011, and Section C Questionnaire Response dated August 10, 2011.

<sup>94</sup> See Baozhang's Section A Questionnaire Response dated July 20, 2011, and Section C Questionnaire Response dated August 19, 2011.

NME respondent is an integrated producer, we take into account the factors utilized in each stage of the production process. For example, in a previous case, one respondent was a fully integrated firm, and the Department valued both the steel wire rod drawing FOPs and steel wire garment hanger processing FOPs because this company bore all the costs related to these stages of production.<sup>100</sup> In this case, we are also valuing the respondents' steel wire rod drawing FOPs and the FOPs consumed in the galvanizing process because the respondents bore the costs related to these stages of production.

### Factor Valuation Methodology

In accordance with section 773(c) of the Act, we calculated NV based on FOP data reported by Tianjin Honbase and Baozhang for the POI. To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available SVs (except as discussed below). In selecting the SVs, among other criteria, 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 Thai import SVs 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, 1407–08 (Fed. Cir. 1997).<sup>101</sup>

For this preliminary determination, in accordance with the Department's practice, we used Thai GTA import statistics to calculate SVs for the mandatory respondents' FOPs (direct materials, including steel wire rod, certain energy FOPs, and packing materials). In selecting the best available information for valuing FOPs 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 POI,

15732 (March 25, 2008) unchanged in *Steel Wire Garment Hangers from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 73 FR 47587 (August 14, 2008) ("Steel Wire Garment Hangers Final LTFV"); *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) and accompanying Issues and Decision Memorandum at Comment 9(E).

<sup>100</sup> See *Steel Wire Garment Hangers Final LTFV*.

<sup>101</sup> A detailed description of all surrogate values used for respondents can be found in the Prelim SV Memo and company-specific analysis memoranda.

product-specific, and tax-exclusive.<sup>102</sup> The record shows that data in the Thai Import Statistics, as well as that from the other Thai sources, represent data that are contemporaneous with the POI, product-specific, and tax-exclusive.<sup>103</sup>

Furthermore, with regard to the Thai import-based SVs, 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, India, and South Korea may have been subsidized because we have found in other proceedings that these countries maintain broadly available, non-industry-specific export subsidies.<sup>104</sup> Therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized.<sup>105</sup> Further, guided by the legislative history, it is the Department's practice not to conduct a formal investigation to ensure that such prices are not subsidized.<sup>106</sup> Rather, the Department bases its decision on information that is available to it at the time it makes its determination. Additionally, consistent with our practice, we disregarded prices from NME countries and excluded

<sup>102</sup> 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).

<sup>103</sup> See Prelim SV Memo.

<sup>104</sup> See, e.g., *Expedited Sunset Review of the Countervailing Duty Order on Carbazole Violet Pigment 23 from India*, 75 FR 13257 (March 19, 2010), and accompanying Issues and Decision Memorandum at 4–5; *Expedited Sunset Review of the Countervailing Duty Order on Certain Cut-to-Length Carbon Quality Steel Plate from Indonesia*, 70 FR 45692 (August 8, 2005), and accompanying Issues and Decision Memorandum at 4; *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; *Final Results of 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>105</sup> See *Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 69 FR 20594 (April 16, 2004) and accompanying Issues and Decision Memorandum at Comment 7.

<sup>106</sup> See Omnibus Trade and Competitiveness Act of 1988, Conference Report to accompany H.R. Rep. 100–576 at 590 (1988) reprinted in 1988 U.S.C.G.A.N. 1547, 1623–24; see also *Preliminary Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China*, 72 FR 30758 (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.

imports labeled as originating from an "unspecified" country from the average value, because the Department could not be certain that they were not from either an NME country or a country with general export subsidies.<sup>107</sup> Therefore, we have not used prices from these countries either in calculating the Thai import-based surrogate values or in calculating market-economy input values.<sup>108</sup>

Pursuant to 19 CFR 351.408(c)(1), when a respondent sources inputs from an ME supplier in meaningful quantities (*i.e.*, not insignificant quantities), we use the actual price paid by respondent for those inputs, except when prices may have been distorted by findings of dumping by the PRC and/or subsidies.<sup>109</sup> Where we find ME purchases to be of significant quantities (*i.e.*, 33 percent or more), in accordance with our statement of policy as outlined in *Antidumping Methodologies: Market Economy Inputs*,<sup>110</sup> we use the actual purchases of these inputs to value the inputs. Where the quantity of the reported input purchased from ME suppliers is below 33 percent of the total volume of the input purchased from all sources during the POI, and were otherwise valid, we weight-average the ME input's purchase price with the appropriate SV for the input according to their respective shares of the reported total volume of purchases.<sup>111</sup> Where appropriate, we add freight to the ME prices of inputs.

Tianjin Honbase claimed that it contracted for ocean freight services sourced from an ME country and paid for in an ME currency. Because information reported by Tianjin Honbase demonstrated that it purchased significant quantities (*i.e.*, 33 percent or more) of freight services from market economy suppliers, the Department used Honbase's weighted average market economy purchase price to value all of its ocean freight expenses.<sup>112</sup>

<sup>107</sup> See *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), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates From the People's Republic of China*, 70 FR 24502 (May 10, 2005).

<sup>108</sup> See *id.*

<sup>109</sup> See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27366 (May 19, 1997).

<sup>110</sup> See *Antidumping Methodologies: Market Economy Inputs, Expected Non-Market Economy Wages, Duty Drawback; and Request for Comments*, 71 FR 61716, 61717 (October 19, 2006) ("Antidumping Methodologies: Market Economy Inputs").

<sup>111</sup> See *id.*, at 71 FR 61718.

<sup>112</sup> See *id.*, at 71 FR 61717; see also Tianjin Honbase Prelim Analysis Memo.

The Department used Thai Import Statistics from the GTA to value the raw material, certain energy inputs and packing material inputs that Tianjin Honbase and Baozhang used to produce galvanized steel wire during the POI, except where listed below.

Previously, the Department used regression-based wages that captured the worldwide relationship between per capita Gross National Income (“GNI”) and hourly manufacturing wages, pursuant to 19 CFR 351.408(c)(3), to value the respondent’s cost of labor. However, on May 14, 2010, the Court of Appeals for the Federal Circuit (“CAFC”), in *Dorbest Ltd. v. United States*, 604 F.3d 1363, 1372 (Fed. Cir. 2010) (“*Dorbest*”), invalidated 19 CFR 351.408(c)(3). As a consequence of the CAFC’s ruling in *Dorbest*, the Department no longer relies on the regression-based wage rate methodology described in its regulations.

On June 21, 2011, the Department revised its methodology for valuing the labor input in NME antidumping proceedings.<sup>113</sup> In *Labor Methodologies*, the Department determined that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. Additionally, the Department determined that the best data source for industry-specific labor rates is Chapter 6A: Labor Cost in Manufacturing, from the International Labor Organization (ILO) Yearbook of Labor Statistics (“Yearbook”).

In the preliminary determination, the Department calculated the labor input using the wage method described in *Labor Methodologies*. To value the respondent’s labor input, the Department relied on data reported by Thailand to the ILO in Chapter 6A of the Yearbook. Although the Department further finds the two-digit description under ISIC-Revision 3 (“Manufacture of Basic Metals”) to be the best available information on the record because it is specific to the industry being examined, and is therefore derived from industries that produce comparable merchandise, Thailand has not reported data specific to the two-digit description since 2000. However, Thailand did report total manufacturing wage data in 2005. Accordingly, relying on Chapter 6A of the Yearbook, the Department calculated the labor input using total labor data reported by Thailand to the ILO, in accordance with section 773(c)(4) of the Act. For the preliminary

determination, the calculated industry-specific wage rate is 135.72 Baht/hour or \$4.43/hour. A more detailed description of the wage rate calculation methodology is provided in the Prelim SV Memo.

As stated above, the Department used Thailand ILO data reported under Chapter 6A of Yearbook, which reflects all costs related to labor, including wages, benefits, housing, training, etc. Additionally, where the financial statements used to calculate the surrogate financial ratios include itemized detail of labor costs, the Department made adjustments to certain labor costs in the surrogate financial ratios.<sup>114</sup>

Because water was used by the respondents in the production process of galvanized steel wire, the Department considers water to be a direct material input, and not as overhead, and valued water with a SV according to our practice.<sup>115</sup> The Department valued water using data from Thailand’s Board of Investment.<sup>116</sup> This source provides water rates for industrial users that are VAT exclusive. Although Petitioners suggested that we value water using information from Thailand’s Metropolitan Waterworks Authority, we find that the information provided is approximate and not explicitly tax-exclusive. Therefore, the data provided by the Board of Investment provides a more specific and accurate surrogate value.<sup>117</sup>

We used Thai 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 *Doing Business 2011: Thailand*. This World Bank report gathers information concerning the distance and cost to transport products in a 20-foot container from the largest city in Thailand to the nearest seaport. We calculated the per-unit inland freight costs using the distance from Thailand’s largest city, Bangkok, to the nearest seaport. The inland freight costs in the World Bank report are for shipping a 20-foot container. We calculated a per-kilogram, per-kilometer surrogate inland freight rate of 0.0008 U.S. dollars per kilometer per kilogram based on using

the full capacity of a 20-foot container.<sup>118</sup>

We valued brokerage and handling using a price list of export procedures necessary to export a standardized cargo of goods in Thailand. The price list is compiled based on a survey case study of the procedural requirements for trading a standard shipment of goods by ocean transport in Thailand that is published in *Doing Business 2011: Thailand*, published by the World Bank.

To value factory overhead, selling, general, and administrative expenses, and profit, we relied on one financial statement from a company located in Thailand. We calculated the surrogate financial ratio using data from the 2010 audited financial statement Capital Engineering Network (“Capital Engineering”).<sup>119</sup> Capital Engineering is a producer of comparable wire rod based products rather than identical merchandise. Petitioners provided additional Thai financial statements for Tycoons Worldwide, Thai Wire Products Co., Ltd (“Thai Wire”) and Thailand Iron Works (“Thai Iron”). We have determined not to rely on the 2010 financial statement for Tycoons Worldwide because it indicates that it received promotional privileges from the Board of Investment (“BOI”). Specifically, Tycoons International received two different tax exemptions that fall under the Investment Promotion Act (“IPA”) in Sections 28, 31, and 35.<sup>120</sup> The Department has found these two tax exemption programs from the BOI to be countervailable subsidies.<sup>121</sup> Consistent with the Department’s practice, we prefer not to use financial statements of a company we have reason to believe or suspect may have received subsidies, because financial ratios derived from that company’s financial statements may not constitute the best available information with which to value financial ratios.<sup>122</sup> Further, as Thai Iron

<sup>118</sup> See *id.*, at Exhibit 9.

<sup>119</sup> See Petitioners’ September 1, 2011, Surrogate Value Submission at Exhibits 5B and 5D; see also Petitioners’ Submission of Complete 2010 Financial Statement of Thai Wire Products Public Company Limited, dated September 12, 2011; see also Prelim SV Memo at Exhibits 11a–c.

<sup>120</sup> See *Final Negative Countervailing Duty Determination: Bottle-Grade Polyethylene Terephthalate (PET) Resin From Thailand*, 70 FR 13462 (March 21, 2005); see also *Ball Bearings and Parts Thereof From Thailand: Final Results of Countervailing Duty Administrative Review*, 61 FR 729 (January 6, 1997).

<sup>121</sup> See *id.*

<sup>122</sup> See *Freshwater Crawfish Tail Meat from the People’s Republic of China: Notice of Final Results and Rescission, In Part, of 2004/2005 Antidumping Duty Administrative Review and New Shipper Reviews*, 72 FR 19174 (April 17, 2007) and

<sup>113</sup> See *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) (“*Labor Methodologies*”).

<sup>114</sup> See *Labor Methodologies*, 76 FR at 36093.

<sup>115</sup> See *Final Determination of Sales at Less Than Fair Value and Critical Circumstances: Certain Malleable Iron Pipe Fittings From the People’s Republic of China*, 68 FR 61395 (October 28, 2003) and accompanying Issues and Decision Memorandum at Comment 11.

<sup>116</sup> See Prelim SV Memo at 10 and Exhibit 7.

<sup>117</sup> See *id.*

is a producer of galvanized iron sheets, we find that Thai Iron's financial statements do not reflect the production experience of the respondents to the degree of Capital Engineering's financial statements. Additionally, we were unable to calculate a financial ratio based on the statement of Thai Wire because the statement lacked sufficient detail in order to allow for the classification of expenses.

Furthermore, we were unable to segregate and, therefore, were unable to exclude energy costs from the calculation of the surrogate financial ratio using Capital Engineering's

financial statement. Accordingly, we have disregarded the respondents' energy inputs (coal and electricity) in the calculation of normal value for purposes of the preliminary determination, in order to avoid double-counting energy costs which have necessarily been captured in the surrogate financial ratios.<sup>123</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.

**Verification**

As provided in section 782(i)(1) of the Act, we intend to verify the information upon which we will rely in making our final determination.

**Combination Rates**

In the *Initiation Notice*, the Department stated that it would calculate combination rates for certain respondents that are eligible for a separate rate in this investigation.<sup>124</sup>

**Preliminary Determination**

The weighted-average dumping margins are as follows:

**GALVANIZED STEEL WIRE FROM THE PRC**

Exporter	Producer	Weighted-average margin (percent)
Tianjin Honbase Machinery Manufactory Co., Ltd	Tianjin Honbase Machinery Manufactory Co., Ltd	131.84
Anhui Bao Zhang Metal Products Co., Ltd	Anhui Bao Zhang Metal Products Co., Ltd	76.34
Shanghai Bao Zhang Industry Co., Ltd	Shanghai Bao Zhang Industry Co., Ltd	76.34
Shanghai Bao Zhang Industry Co., Ltd	Anhui Bao Zhang Metal Products Co., Ltd	76.34
Anhui Bao Zhang Metal Products Co., Ltd	Shanghai Bao Zhang Industry Co., Ltd	76.34
Shijiazhuang Kingway Metal Products Co., Ltd	Shijiazhuang Kingway Metal Products Co., Ltd	127.09
Shanxi Yuci Broad Wire Products Co., Ltd	Shanxi Yuci Broad Wire Products Co., Ltd	127.09
Huanghua Jinhai Hardware Products Co., Ltd	Huanghua Jinhai Hardware Products Co., Ltd	127.09
Huanghua Jinhai Import & Export Trading Co., Ltd	Huanghua Jinhai Hardware Products Co., Ltd	127.09
Guizhou Wire Rope Incorporated Company	Guizhou Wire Rope Incorporated Company	127.09
Hebei Minmetals Co., Ltd	Huanghua Jinhai Hardware Products Co., Ltd	127.09
Hebei Minmetals Co., Ltd	Huanghua Huarong Hardware Co., Ltd	127.09
Hebei Minmetals Co., Ltd	Shandong Jining Lianzhong Hardware Products Co., Ltd	127.09
Shandong Minmetals Co., Ltd	Huanghua Jinhai Hardware Products Co., Ltd	127.09
Shandong Minmetals Co., Ltd	Huanghua Xincheng Metal Products Co., Ltd	127.09
Shandong Minmetals Co., Ltd	Tianjin Shi Dagangqu Yuliang XianCaichang	127.09
Shandong Minmetals Co., Ltd	Tianjin Hengfeng Metal Wire Co., Ltd	127.09
Shandong Minmetals Co., Ltd	Tianjin Shi Jinghai Yicheng Hardware Products Co., Ltd	127.09
Fasten Group Imp. & Exp. Co., Ltd	Jiangsu Fasten Stock Co., Ltd	127.09
Fasten Group Imp. & Exp. Co., Ltd	Zhangjiagang Guanghua Communication Cable Materials Co., Ltd.	127.09
Fasten Group Imp. & Exp. Co., Ltd	Zhangjiagang Kaihua Metal Products Co., Ltd	127.09
Qingdao Ant Hardware Manufacturing Co., Ltd	Qingdao Ant Hardware Manufacturing Co., Ltd	127.09
Suntec Industries Co., Ltd	Tianjin Jinnan 4th Wire Factory	127.09
Suntec Industries Co., Ltd	Tianjin Yinshan Manufacture & Trade Co., Ltd	127.09
Suntec Industries Co., Ltd	Tianjin Zhaohong Metal Products Co., Ltd	127.09
Suntec Industries Co., Ltd	Tianjin Wandai Metal Products Co., Ltd	127.09
Suntec Industries Co., Ltd	Tianjin Dagang Wire Factory	127.09
Suntec Industries Co., Ltd	Tianjin Jinghai Yicheng Metal Products Co., Ltd	127.09
Suntec Industries Co., Ltd	Tianjin Liquan Metal Products Co., Ltd	127.09
Suntec Industries Co., Ltd	Tianjin Huayuan Times Metal Products Co., Ltd	127.09
Suntec Industries Co., Ltd	Tianjin Fusheng Metal Products Co., Ltd	127.09
M & M Industries Co., Ltd	Tianjin Huayuan Times Metal Products Co., Ltd	127.09
M & M Industries Co., Ltd	Tianjin Huayuan Metal Wire Products Co., Ltd	127.09
M & M Industries Co., Ltd	Tianjin Tianxin Metal Products Co., Ltd	127.09
M & M Industries Co., Ltd	Tianjin Jinghai County Yongshun Metal Products Mill	127.09
M & M Industries Co., Ltd	Huanghua Jinhai Hardware Products Co., Ltd	127.09
Shaanxi New Mile International Trade Co., Ltd	Tianjin Huayuan Metal Wire Products Co., Ltd	127.09
Shaanxi New Mile International Trade Co., Ltd	Tianjin Jinghai Yicheng Metal Products Co., Ltd	127.09
Shaanxi New Mile International Trade Co., Ltd	Tianjin Zhaohong Metal Products Co., Ltd	127.09
Shaanxi New Mile International Trade Co., Ltd	Tianjin Lianxing Metal Products Co., Ltd	127.09
Shaanxi New Mile International Trade Co., Ltd	Tianjin Beichen Gangjiaoxian Metal Products Co., Ltd, Fuli Branch.	127.09
Shaanxi New Mile International Trade Co., Ltd	Shenzhou Hongli Metal Products Co., Ltd	127.09
Hebei Cangzhou New Century Foreign Trade Co., Ltd	Tianjin Huayuan Metal Wire Products Co., Ltd	127.09
Hebei Cangzhou New Century Foreign Trade Co., Ltd	Tianjin Randa Metal Products Factory	127.09

accompanying Issues and Decision Memorandum at Comment 1.

<sup>123</sup> See Tianjin Honbase Prelim Analysis Memo; see also Baozhang Prelim Analysis Memo; see also

*Citric Acid and Certain Citrate Salts From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 74 FR 16838, 16839 (April 13, 2009).

<sup>124</sup> See *Initiation Notice*, 76 FR at 23553 and as described in *Policy Bulletin 05.1*, available at <http://ia.ita.doc.gov/rates>.

## GALVANIZED STEEL WIRE FROM THE PRC—Continued

Exporter	Producer	Weighted-average margin (percent)
Hebei Cangzhou New Century Foreign Trade Co., Ltd .....	Tianjin Jinghai Yicheng Metal Products Co., Ltd .....	127.09
Hebei Cangzhou New Century Foreign Trade Co., Ltd .....	Tianjin Jinghai Hongjiufeng Wire Products Co., Ltd .....	127.09
Hebei Cangzhou New Century Foreign Trade Co., Ltd .....	Huanghua Jinhai Hardware Products Co., Ltd .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Tianjin Jinghai Yicheng Metal Products Co., Ltd .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Tianjin Yinshan Industry and Trade Co., Ltd .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Tianjin Zhenyuan Industry and Trade Co., Ltd .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Dingzhou Xuri Metal Products Factory .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Huanghua Jinhai Hardware Products Co., Ltd .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Tianjin Dagang Wire Mill .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Tianjin Huayuan Industrial Company .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Hebei Yongwei Metal Products Co., Ltd .....	127.09
Dezhou Hualude Hardware Products Co., Ltd .....	Tianjin Guanshun Metal Products Co., Ltd .....	127.09
Shanghai SETI Enterprise International Co., Ltd .....	Shanghai Xiaoyu Metal Products Co., Ltd .....	127.09
Xi'an Metals and Minerals Import and Export Co., Ltd .....	Tianjin Jinyongtai Hardware Products Co., Ltd .....	127.09
Xi'an Metals and Minerals Import and Export Co., Ltd .....	Tianjin Hengfeng Metal Wire Co., Ltd .....	127.09
Xi'an Metals and Minerals Import and Export Co., Ltd .....	Shenzhou City Hongli Hardware Manufacturing Co., Ltd .....	127.09
Xi'an Metals and Minerals Import and Export Co., Ltd .....	Tianjin Dagang Jinding Metal Products Factory .....	127.09
PRC-Wide Rate <sup>125</sup>		235.00

**Disclosure**

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

**Suspension of Liquidation**

In accordance with section 733(d) of the Act, we will instruct CBP to suspend liquidation of all entries of galvanized steel wire from the PRC as described in the "Scope of Investigation" section, entered, or withdrawn from warehouse, for consumption from Tianjin Honbase and Baozhang, the non-selected companies receiving a separate rate, and the PRC-wide entity on or after the date of publication of this notice in the **Federal Register**.

Additionally, the Department has determined in its *Galvanized Steel Wire From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of*

<sup>125</sup> The PRC-Wide entity includes: Tianjin Huayuan Metal Wire Products Co., Ltd.; Tianjin Meijiahua Trade Co., Ltd.; Tianjin Huayuan Times Metal Products Co., Ltd.; Tianjin Tianxin Metal Products Co., Ltd.; Tianjin Jinghai Yicheng Metal Products Co., Ltd.; Anping Shuangmai Metal Products Co., Ltd.; Anping Xinhong Wire Mesh Co., Ltd.; Beijing Catic Industry Limited; Benxi Wasainuo Metal Packaging Production Co., Ltd.; China National Electronics Imp. & Exp. Ningbo Co., Ltd.; Easen Corp.; Ecms O/B Tianjin Huayuan Metal Wire; Hebei Dongfang Hardware And Mesh Co., Ltd.; Hebei Longda Trade Co., Ltd.; Huanghua Yufutai Hardware Products Co., Ltd.; Maccaferri (Changsha) Enviro-Tech Co.; Nantong Long Yang International Trade Co., Ltd.; Shandong Hualing Hardware & Tools Co., Ltd.; Shanghai Multi-development Enterprises; Shanghai Suntec Industries Co., Ltd.; Tianjin Jing Weida International Trade Co., Ltd.; Tianjin Pcsc Trading Co., Ltd.; and Weifang Hecheng International Trade Co., Ltd.

*Final Determination With Final Antidumping Determination*, 76 FR 55031 (September 6, 2011) that galvanized steel wire exported by Baozhang and M&M Industries Co., Ltd., benefitted from export subsidies. With respect to Baozhang, we will instruct CBP to require an antidumping cash deposit or posting of a bond equal to the amount by which the NV exceeds the U.S. price, as indicated above, reduced by the export subsidy determined for Baozhang in the companion CVD investigation.<sup>126</sup>

With respect to M&M Industries Co., Ltd., a separate rate recipient in this case, but a mandatory respondent in the companion CVD case that was found to have benefitted from export subsidies, we will instruct CBP to require an antidumping cash deposit or posting of a bond equal to the amount by which the NV exceeds the U.S. price, as indicated above, reduced by the lesser of its own CVD export subsidy rate or the average of the CVD export subsidy rates applicable to the mandatory respondents, on which M&M Industries Co., Ltd.'s dumping margin is based. For the other separate rate recipients<sup>127</sup> in

<sup>126</sup> See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India*, 69 FR 67306, 67307 (November 17, 2007).

<sup>127</sup> The Department notes that it is our practice to adjust the separate rate companies by the lesser of the export subsidy rate (or average thereof) applicable to the mandatory respondents from which the separate rate is calculated, or the All-Others export subsidy rate from the CVD case (with exception of M&M, which has its own calculated export subsidy rate). Because the weighted-average export subsidy rate is not currently on the record of the antidumping duty investigation, we are using a simple average of the export subsidy rates calculated in the CVD case. However, for the final

this case, excluding M&M Industries Co., Ltd., who are receiving the All-Others rate in the CVD investigation, we will instruct CBP to require an antidumping cash deposit or posting of a bond equal to the amount by which the NV exceeds the U.S. price, as indicated above, reduced by the lesser of the average of the export subsidy rates determined in the CVD investigation or the average of the CVD export subsidy rates applicable to the mandatory respondents, on which the separate rate dumping margins are based.

Because Tianjin Honbase is a mandatory respondent in this case but received the All-Others rate in the companion CVD case, we will instruct CBP to require an antidumping cash deposit or posting of a bond equal to the amount by which the NV exceeds the U.S. price, as indicated above, reduced by the average of the export subsidy rates determined in the CVD investigation.

For all other entries of galvanized steel wire from the PRC, the following cash deposit/bonding instructions apply: (1) The rate for the firms listed in the chart above will be the rate we have determined in this preliminary determination; (2) for all non-PRC exporters of galvanized steel wire which have not received their own rate, the cash-deposit rate will be the rate applicable to the PRC exporter in the combination listed above, that supplied that non-PRC exporter. These suspension-of-liquidation instructions will remain in effect until further notice.

determination, we intend to update this information based on the final determination in the CVD case.

### International Trade Commission Notification

In accordance with section 733(f) of the Act, we will notify the ITC of our preliminary affirmative determination of sales at less than fair value. Section 735(b)(2) of the Act requires the ITC to make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of galvanized steel wire, or sales (or the likelihood of sales) for importation, of the galvanized steel wire within 45 days of our final determination.

### Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Import Administration no later than seven days after the date the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, no later than five days after the deadline for submitting case briefs.<sup>128</sup> A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. If a request for a hearing is made, we intend to hold the hearing three days after the deadline of submission of rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Ave NW., Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Any interested party may request a hearing within 30 days of publication of this notice.<sup>129</sup> Hearing requests should contain the following information: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.<sup>130</sup>

### Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the

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

As noted above, on October 21, 2011, Tianjin Honbase requested that in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (135 days after publication of the preliminary determination) and extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four month period to a six month period. In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting producers/exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are granting this request and are postponing the final determination until no later than 135 days after the publication of this notice in the **Federal Register**. Suspension of liquidation will be extended accordingly. We are also granting the request to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2) from a four month period to a six month period.

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

Dated: October 27, 2011.

### Paul Piquado,

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-201-840]

### Galvanized Steel Wire From Mexico: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

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

**DATES:** Effective Date: November 4, 2011.

**SUMMARY:** The Department of Commerce (the Department) preliminarily determines that galvanized steel wire (galvanized wire) from Mexico is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The estimated dumping margins are listed in the "Suspension of Liquidation" section of this notice. Interested parties are invited to comment on this preliminary determination. Pursuant to requests from interested parties, we are postponing for 60 days the final determination and extending provisional measures from a four-month period to not more than six months. Accordingly, we will make our final determination not later than 135 days after publication of the preliminary determination.

**FOR FURTHER INFORMATION CONTACT:** Patrick Edwards or Ericka Ukrow, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-8029 or (202) 482-0405, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

On April 20, 2011, the Department initiated the antidumping duty investigation on galvanized wire from Mexico. See *Galvanized Steel Wire from the People's Republic of China and Mexico: Initiation of Antidumping Duty Investigations*, 76 FR 23548 (April 27, 2011) (*Initiation Notice*). The Petitioners in this investigation are Davis Wire Corporation, Johnstown Wire Technologies, Inc., Mid-South Wire Company, Inc., National Standard, LLC, and Oklahoma Steel & Wire Company, Inc. (collectively, Petitioners). Since the *Initiation Notice*, the following events have occurred.

The Department set aside a period of time for parties to raise issues regarding product coverage and encouraged all

<sup>128</sup> See 19 CFR 351.309(c)(1)(i) and 19 CFR 351.309(d)(1).

<sup>129</sup> See 19 CFR 351.310(c).

<sup>130</sup> See 19 CFR 351.310(d).