

Dated: November 2, 2009.

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Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-822]

Certain Helical Spring Lock Washers From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce ("Department") is conducting an administrative review of the antidumping duty order on certain helical spring lock washers ("HSLWs") from the People's Republic of China ("PRC") covering the period of review ("POR") October 1, 2007 through September 30, 2008. We preliminarily determine that sales have been made below normal value ("NV") by Hangzhou Spring Washer Co., Ltd. ("HSW") (also known as Zhejiang Wanxin Group Co., Ltd.). If these preliminary results are adopted in our final results of this review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise during the POR. The Department invites interested parties to comment on these preliminary results.

DATES: *Effective Date:* November 9, 2009.

FOR FURTHER INFORMATION CONTACT: Brandon Farlander, Austin Redington or David Layton, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-0182, (202) 482-1664, and (202) 482-0371, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the antidumping duty order on certain HSLWs from the PRC on October 19, 1993. The order was amended on November 23, 1993. *See Antidumping Duty Order: Certain Helical Spring Lock Washers From the People's Republic of China*, 58 FR 53914 (October 19, 1993), and *Amended Final Determination and*

Amended Antidumping Duty Order: Certain Helical Spring Lock Washers From the People's Republic of China, 58 FR 61859 (November 23, 1993). On October 1, 2008, the Department published a notice of opportunity to request an administrative review of this order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 73 FR 57056 (October 1, 2008). In accordance with 19 CFR 351.213(b)(1) and (2), on October 31, 2008, Shakeproof Assembly Components Division of Illinois Tool Works, Inc. ("Shakeproof" or "Petitioner"), a domestic interested party, requested that the Department conduct an administrative review of HSW, a producer and exporter of subject merchandise.

On November 24, 2008, the Department published the initiation of the administrative review of the antidumping duty order on HSLWs from the PRC covering the period October 1, 2007, through September 30, 2008. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 73 FR 70964 (November 24, 2008).

The Department issued an antidumping duty questionnaire to HSW on December 10, 2008. We received the questionnaire responses from HSW on January 14, 2009, and February 12, 2009. We received supplemental questionnaire responses from HSW on July 10, 2009, September 29, 2009, October 6, 2009 and October 14, 2009.

The Department informed interested parties that surrogate country selection comments submitted by February 25, 2009, would be considered for the preliminary results. *See Letter to IPs: Deadlines for Surrogate Country Comments.* Neither of the interested parties provided comments on the selection of a surrogate country. On March 30, 2009, Petitioner provided publicly available information to value the factors of production ("FOPs").

On June 23, 2009, the Department published a notice in the **Federal Register** extending the time limit for the preliminary results of this review until November 2, 2009. *See Certain Helical Spring Lock Washers from the People's Republic of China: Extension of Time Limit for the Preliminary Results of the 2007-2008 Antidumping Duty Administrative Review*, 74 FR 29669 (June 23, 2009).

Non-Market Economy Country Status

In every case conducted by the Department involving the PRC, the PRC

has been treated as a non-market economy ("NME") country. In accordance with section 771(18)(C)(i) of the Tariff Act of 1930, as amended ("the Act"), any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. *See, e.g., Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of the 2004/2005 Administrative Review and Notice of Rescission of 2004/2005 New Shipper Review*, 71 FR 66304 (November 14, 2006); *Honey from the People's Republic of China: Final Results and Final Rescission, In Part, of Antidumping Duty Administrative Review*, 71 FR 34893 (June 16, 2006); and *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) ("Sawblades"). None of the parties to this proceeding has contested such treatment. Accordingly, we calculated NV in accordance with section 773(c) of the Act, which applies to NME countries.

Surrogate Country and Surrogate Values

Section 773(c)(1) of the Act directs the Department to base NV on the NME producer's FOPs, valued in a surrogate market economy country or countries considered to be appropriate by the Department if NV cannot be determined pursuant to section 773(a) of the Act. In accordance with section 773(c)(4) of the Act, the Department valued the FOPs, to the extent possible, using the costs of the FOPs in one or more market-economy countries that are at a level of economic development comparable to that of the PRC and are significant producers of comparable merchandise. The Department determined that Colombia, India, Indonesia, the Philippines, Peru and Thailand are countries comparable to the PRC in terms of economic development. *See Memorandum from Carole Showers, Acting Director, Office of Policy, to Brandon Farlander, Program Manager, Office 1, entitled "Request for a List of Surrogate Countries for an Administrative Review of the Antidumping Duty Order on Certain Helical Spring Lock Washers"* ("HSLW") from the People's Republic of China ("PRC"), dated December 22, 2008 ("Policy Memo").

On January 16, 2009, the Department solicited comments on its selection of surrogate countries for this administrative review and also invited

parties to submit publicly available information to value FOPs. Between March 30, 2009 and July 27, 2009, the Department received surrogate value information from Petitioner and HSW.

We preliminarily determine that India is comparable to the PRC in terms of per capita gross national product and the national distribution of labor. Furthermore, India is a significant producer of comparable merchandise. See Memorandum from the Team to the File entitled, "2007–2008 Antidumping Duty Administrative Review of Certain Helical Spring Lock Washers from the People's Republic of China: Selection of a Surrogate Country," November 2, 2009.

Moreover, it is the Department's practice to select an appropriate surrogate country based on the availability and reliability of data from these countries. See Department Policy Bulletin No. 04.1: Non-Market Economy Surrogate Country Selection Process, dated March 1, 2004. The Department finds India to be a reliable source for surrogate values because India is at a comparable level of economic development pursuant to section 773(c)(4) of the Act, is a significant producer of comparable merchandise, and has publicly available and reliable data. Furthermore, the Department notes that India has been the primary surrogate country in past segments, and the only surrogate value data submitted on the record are from Indian sources.

Given the above facts, the Department has selected India as the primary surrogate country for this review.

For a detailed discussion of the Department's selection of surrogate values and financial ratios, see "Factor Valuations" section below. See also Memorandum from the Team to the File, entitled "2007–2008 Antidumping Duty Administrative Review of Certain Helical Spring Lock Washers from the People's Republic of China: Factor Valuation for the Preliminary Results," November 2, 2009, ("Factor Valuation Memorandum"), which is on file in the Central Records Unit ("CRU") in Room 1117 of the main Department of Commerce building.

Scope of the Order

The products covered by the order are HSLWs of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non-heat-treated, plated or non-plated, with ends that are off-line. HSLWs are designed to: (1) Function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and (3) provide a hardened

bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper.

HSLWs subject to the order are currently classifiable under subheading 7318.21.0030 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Separate Rates Determination

A designation as an NME remains in effect until it is revoked by the Department. See section 771(18)(C)(i) of the Act. Accordingly, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assessed a single antidumping duty deposit rate (i.e., a country-wide rate). See *Notice of 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); see also *Sawblades*, 71 FR 29303.

It is the Department's standard policy to assign all exporters of the merchandise subject to review in NME countries a single rate unless an exporter can affirmatively demonstrate an absence of government control, both in law (*de jure*) and in fact (*de facto*), with respect to exports. To establish whether a company is sufficiently independent to be entitled to a separate, company-specific rate, the Department analyzes each exporting entity in an NME country under the test established in *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 amplified by *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*").

Absence of De Jure Control

The Department considers the following criteria in determining whether an individual company may be granted a separate rate: (1) An absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. See *Sparklers*, 56 FR at 20589.

HSW has placed on the record documents to demonstrate the absence of *de jure* control. These documents include its list of shareholders, business license, approval of company name and Company Law of the People's Republic of China ("Company Law"). Other than limiting HSW to activities referenced in the business license, we found no restrictive stipulations associated with the license. In addition, in previous cases the Department has analyzed the Company Law and found that it establishes an absence of *de jure* control. See, e.g., *Sawblades*, 71 FR 29303, and accompanying Issues and Decision Memorandum at Comment 9. We have no information in this proceeding that would cause us to reconsider this determination. Therefore, based on the foregoing, we preliminarily find an absence of *de jure* control for HSW based on: (1) An absence of restrictive stipulations associated with the exporter's business license; (2) the legal authority on the record decentralizing control over the respondent, as demonstrated by the PRC laws placed on the record of this review; and (3) other formal measures by the government decentralizing control of companies.

Absence of De Facto Control

As stated in previous cases, there is some evidence that certain enactments of the PRC central government have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. See *Silicon Carbide*, 59 FR at 22587. Therefore, the Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government control which would preclude the Department from assigning separate rates.

The Department typically considers the following four factors in evaluating whether a respondent is subject to *de facto* government control of its export functions: (1) Whether the export prices are set by, or subject to the approval of, a government agency; (2) whether the respondent has the authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses. See *Silicon Carbide*, 59 FR at 22586–87, 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 (May 8, 1995).

With regard to *de facto* control, HSW reported the following: (1) It sets prices to the United States through negotiations with customers and these prices are not subject to review by any government organization; (2) the PRC government does not coordinate the export activities of HSW; (3) HSW's general manager and deputy general manager have the authority to contractually bind the company to sell subject merchandise; (4) the board of directors has appointed the general manager, and the other managers are appointed either by the board of directors or the general manager; (5) there is no restriction on its use of export revenues; and (6) HSW's management decides how to dispose of the profits. Additionally, HSW's questionnaire responses do not suggest that pricing is coordinated among exporters nor does it reveal other information indicating government control of export activities. As a result, there is a sufficient basis to preliminarily determine that HSW has demonstrated a *de facto* absence of government control of its export functions and is entitled to a separate rate. Therefore, based on the information provided, we preliminarily determine that there is an absence of *de facto* government control over HSW's export functions.

Fair Value Comparisons

To determine whether HSW's sales of subject merchandise were made at less than NV, we compared the NV to individual export price ("EP") transactions in accordance with section 777A(d)(2) of the Act. See "Export Price" and "Normal Value" sections of this notice, below.

Export Price

In accordance with section 772(a) of the Act, EP is "the price at which the subject merchandise is first sold (or agreed to be sold) before the date importation by the producer or exporter of the subject merchandise outside of the United States or to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States," as adjusted under section 772(c) of the Act. In accordance with section 772(a) of the Act, we used EPs for sales by HSW to the United States because the subject merchandise was sold directly to unaffiliated customers in the United States (or to unaffiliated resellers outside the United States with knowledge that the merchandise was destined for the United States) prior to importation, and

constructed export price methodology was not otherwise indicated. We based EP on one of the following sales delivery terms: (1) Free-on-board port; (2) cost, insurance and freight; or (3) cost and freight to unaffiliated purchasers in the United States. In accordance with section 772 (c)(2)(A) of the Act, we made deductions for movement expenses, where appropriate. Movement expenses included expenses for foreign inland freight from plant to port of exportation, foreign brokerage and handling, international freight, and marine insurance, where applicable. Foreign inland freight, foreign brokerage and handling, international freight, and marine insurance were provided by an NME vendor and, thus, as explained in the section below, we based the amounts of the deductions for these movement charges on values from a surrogate country. For a detailed description of all adjustments, see Memorandum from Brandon Farlander, Program Manager, Office 1, to the File entitled "Analysis for the Preliminary Results of Antidumping Duty Administrative Review of Certain Helical Spring Lock Washers from the People's Republic of China." ("Preliminary Calculation Memorandum"), November 2, 2009.

We valued brokerage and handling using a simple average of the brokerage and handling costs that were reported in public submissions that were filed in three antidumping duty cases. Specifically, we averaged the public brokerage and handling expenses reported by: Agro Dutch Industries Ltd. in *Mushrooms from India*; Kejirwal Paper Ltd. in *Lined Paper Products From India*; and Essar Steel in *HRS from India*.¹ We identify the source used to value foreign inland freight, international freight, and marine insurance in the "Normal Value" section of this notice, below. We adjusted these values, as appropriate, to account for inflation or deflation

between the effective period and the POR. We calculated the inflation or deflation adjustments for these values using the wholesale price indices ("WPI") for India as published in the *International Financial Statistics* ("IFS") *Online Service* maintained by the Statistics Department of the International Monetary Fund at the Web site <http://www.imfstatistics.org>.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using a factor of production methodology if the merchandise is exported from an NME country and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act.

The Department will base NV on FOPs because the presence of government controls on various aspects of these NME economies renders price comparisons and the calculation of production costs invalid under our normal methodologies. Therefore, we calculated NV based on FOPs in accordance with sections 773(c)(3) and (4) of the Act and 19 CFR 351.408(c). The FOPs include: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs. We used the FOPs reported by HSW for materials, energy, labor, and packing.

With regard to the Indian import-based surrogate values, we have disregarded prices that we have reason to believe or suspect may be subsidized. See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China; Final Results of 1999–2000 Administrative Review, Partial Rescission of Review, and Determination Not To Revoke Order in Part*, 66 FR 57420 (November 15, 2001), and accompanying Issues and Decision Memorandum at Comment 1. We have found that India, Indonesia, South Korea, and Thailand maintain broadly available, non-industry-specific export subsidies, and it is reasonable to infer that exports to all markets from these countries may be subsidized. See *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Preliminary Results and Preliminary Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 54007, 54011 (September 13, 2005), unchanged in *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the First Administrative Review*, 71 FR 14170 (March 21, 2006); and *China Nat'l Machinery Import &*

¹ See *Certain Preserved Mushrooms From India: Final Results of Antidumping Duty Administrative Review*, 71 FR 10646 (March 2, 2006) ("Mushrooms from India"); see also Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances in Part: *Certain Lined Paper Products From India*, 71 FR 19706 (April 17, 2006) ("Lined Paper Products From India"), unchanged Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: *Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and *Certain Hot-Rolled Carbon Steel Flat Products From India: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 2018, 2021 (January 12, 2006), unchanged in *Certain Hot-Rolled Carbon Steel Flat Products From India: Final Results of Antidumping Duty Administrative Review*, 71 FR 40694 (July 18, 2006) ("HRS from India").

Export Corp. v. United States, 293 F. Supp. 2d 1334, 1336 (Ct. Int'l. Trade 2003), *aff'd* 104 Fed. Appx. 183 (Fed. Cir. 2004).

In avoiding the use of prices that may be subsidized, the Department does not conduct a formal investigation to ensure that such prices are not subsidized. See H.R. Rep. 100–576 at 590–91 (1988), *reprinted* in 1988 U.S.C.C.A.N. 1547, 1623. Rather, the Department bases its decision on information that is available to it at the time it is making its determination. Therefore, we have not used prices from these countries either in calculating the Indian import-based surrogate values or, where applicable, in calculating ME input values. See Factor Valuation Memorandum.

Factor Valuations

In accordance with section 773(c)(3) of the Act, we calculated NV based on FOPs reported by HSW for the POR. We multiplied the reported per-unit factor quantities by publicly available Indian surrogate values. In selecting the surrogate values, we considered the quality, specificity, and contemporaneousness of the data.

In accordance with section 773(c)(1) of the Act, for purposes of calculating NV, we attempted to value the FOPs using surrogate values that were in effect during the POR. If we were unable to obtain surrogate values that were in effect during the POR, we adjusted the values, as appropriate, to account for inflation or deflation between the effective period and the POR. We calculated the inflation or deflation adjustments for all factor values, as applicable, except labor, using the WPI for the appropriate surrogate country as published in the IFS.

As appropriate, we adjusted input prices by including freight costs to make them delivered prices. Specifically, we added to the Indian import surrogate values a surrogate freight cost calculated using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest port of export to the factory where appropriate (*i.e.*, where the sales terms for the ME inputs were not delivered to the factory). This adjustment is in accordance with the decision of the Court of Appeals for the Federal Circuit in *Sigma Corp. v. United States*, 117 F.3d 1401, 1407–1408 (Fed. Cir. 1997).

(1) *Chemical Inputs*: The respondent, HSW, reported the following chemical FOPs: hydrochloric acid; nitric acid; barium carbonate; and zinc chloride. In prior cases, the Department has valued chemical FOPs using *Chemical Weekly*, an Indian publication containing

domestic (*i.e.*, Indian) prices for chemicals. See *Helical Spring Lock Washers from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 73 FR 4175 (January 24, 2008), and accompanying Issues and Decision Memorandum at Comment 4; *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 74 FR 41121 (August 14, 2009), and accompanying Issues and Decision Memorandum at Comment 3 (“*Glycine from PRC Final 2009*”).

In 1999 and 2003, representatives from *Chemical Weekly* informed the Department that unless the price quote specified the chemical purity level, the reported prices for chemicals in liquid form were based on one hundred percent purity levels. See *Sebacic Acid from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 64 FR 69503 (December 13, 1999), and accompanying Issues and Decision Memorandum at Comment 2, November 22, 1999, Memo to the File from Christopher Priddy; *Synthetic Indigo from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 68 FR 53711 (September 12, 2003), and accompanying Issues and Decision Memorandum at Comment 5. Accordingly, when *Chemical Weekly* did not specify the concentration level at which a particular chemical was reported, the Department treated the *Chemical Weekly* price as reflecting a one hundred percent concentration level. See *id.* Based on this, when a respondent reported the purity level of a chemical FOP in a liquid form, the Department could adjust the *Chemical Weekly* prices by the purity level reported by the respondent to obtain a surrogate value specific to the purity level of the chemical FOP consumed by the respondent. See *Glycine from PRC Final 2009*, at Comment 3; *Final Determination of Sales at Less than Fair Value: Certain Helical Spring Lock Washers from the People's Republic of China*, 58 FR 48833, 48846 (September 20, 1993). Thus, when the record included values from both World Trade Atlas (“WTA”) and *Chemical Weekly*, and the WTA data did not indicate the concentration level for the chemical, the Department would select *Chemical Weekly* as the best available information for valuing the chemical FOP because it was more specific to the input actually used.

The Department recently contacted *Chemical Weekly* to reconfirm that the price quotes for chemicals, with no purity level indicated, reflected one hundred percent purity levels. The

Department was informed by representatives of *Chemical Weekly* that the reported price for hydrochloric acid in liquid form reflects a 30–33 percent purity level. Moreover, the representatives did not believe any of the other chemical prices were at a one hundred percent purity level. See Factor Valuation Memo, at Attachment 3. Based on these recent statements, which contradict prior statements made by *Chemical Weekly* representatives, unless the price quotes from *Chemical Weekly* indicate the purity level, the Department will treat the purity level of chemicals sold in either liquid or solid form as unknown. Therefore, from here on, except for price quotes that identify the purity level of the chemical and for hydrochloric acid (because we have been informed that the purity level is 30–33 percent), the Department will assume that the purity level of all other chemicals sold in either liquid or solid form as reported by *Chemical Weekly* is unknown and, thus, will no longer make an adjustment. Since the purity level is unknown for these chemicals, the Department finds that making such an adjustment using the respondent's reported purity level would not result in a surrogate value that is specific to the purity level of the respondent's chemical FOP.

In light of the above, we have analyzed the WTA and *Chemical Weekly* values for barium carbonate, nitric acid, and zinc chloride. In each instance the import data reported in the WTA conforms to the FOP used by HSW. Accordingly, for HSW's barium carbonate, nitric acid, and zinc chloride FOPs, the Department finds that the WTA data represents the best available information on the record for valuing these chemicals. While we consider both WTA and *Chemical Weekly* to be reliable, comparable, public, and contemporaneous, we are using WTA to value these chemicals because the WTA represents a value from the whole of India, whereas the *Chemical Weekly* value is derived from prices in just three of India's major markets for barium carbonate, two of India's major markets for nitric acid, and three of India's major markets for zinc chloride.

For HSW's hydrochloric acid, the *Chemical Weekly* data represents the best available information on the record for valuing this FOP. As stated above, while we consider both WTA and *Chemical Weekly* to be reliable, comparable, public, and contemporaneous, the *Chemical Weekly* prices are more specific to the type of hydrochloric acid used by HSW. This is because the purity level of hydrochloric acid used by HSW is within the purity

level range of hydrochloric acid reported by *Chemical Weekly* (30–33 percent). See HSW's February 12, 2009, section D response at Exhibit D–5. In contrast, the WTA data for hydrochloric acid, HTS category 2806.10.00 (hydrochloric acid), does not state a chemical concentration level. See *HSLW Final 2008*, at Comment 4. Therefore, in accordance with our new practice, the Department preliminarily finds that *Chemical Weekly* represents the best available information for valuing hydrochloric acid because the *Chemical Weekly* price quote for hydrochloric acid is specific to the purity level of the FOP used by HSW.

(2) We valued HSW's steel wire rod using price data fully contemporaneous with the POR for 6mm, 8mm, 12mm and 16mm steel wire rod available on the Web site of the Indian Joint Planning Committee ("JPC"). The JPC is a joint industry/government board that monitors Indian steel prices. These data are publicly available, specific to the input in question, represent a broad market average, and are tax-exclusive since the Central Excise Tax and VAT have been removed. See Factor Valuation Memo at Attachment 2; see also Petitioner's SV Submission, (March 30, 2009) at Attachment 1, and Petitioner's Correction to Calculation Error (April 3, 2009). Specifically, we calculated a weighted-average steel wire rod value by weighting the average JPC values for the different dimensions by HSW's consumption of these dimensions. See Factor Valuation Memo at Attachment 2; see also HSW Supplemental Questionnaire response, (October 6, 2009) at Attachment 1.

(3) We valued electricity using price data for small, medium, and large industries, as published by the Central Electricity Authority of the Government of India in its publication titled "Electricity Tariff & Duty and Average Rates of Electricity Supply in India," dated July 2006. These electricity rates represent actual country-wide, publicly-available information on tax-exclusive electricity rates charged to industries in India.

(4) Section 351.408(c)(3) of the Department's regulations requires the use of a regression-based wage rate. Therefore, we valued labor using the regression-based wage rate for China published on IA's Web site. The source of the wage rate data on the Import Administration's Web site is the International Labour Organization ("ILO"), Geneva, Labour Statistics Database Chapter 5B: Wages in Manufacturing. See Expected Wages of Selected NME Countries (revised November 2008) (available at [http://](http://ia.ita.doc.gov/wages/index.html)

ia.ita.doc.gov/wages/index.html). Since this regression-based wage rate does not separate the labor rates into different skill levels or types of labor, we have applied the same wage rate to all skill levels and types of labor.

(5) We derived ratios for factory overhead, depreciation, and selling, general and administrative expenses, interest expenses, and profit for the finished product using the 2007–2008 financial statements of two Indian companies, M/S Shivalik Wires Pvt. Ltd. and Sterling Tools Ltd., in accordance with the Department's practice with respect to selecting financial statements for use in NME cases. See, e.g., *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), and accompanying Issues and Decision Memorandum at Comment 2. The Department prefers to derive financial ratios using data from those surrogate producers whose financial data will not be distorted by subsidies or otherwise unreliable. See *Magnesium Metal from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 73 FR 40293 (July 14, 2008), and accompanying Issues and Decision Memorandum at Comment 3. We found that these two Indian companies use steel wire rod inputs similar to those used by HSW, and both manufacture merchandise comparable to that produced by HSW. Specifically, one company produces nuts, and the other company produces both nuts and washers. Because both use steel wire rod as their input, we believe their production processes are similar to HSW's. We did not rely on other Indian companies' financial statements that were on the record because these companies did not use wire rod and, hence, do not appear to employ the same production process as HSW, or, for another Indian company that did use wire rod, the company's financial statements showed that it received subsidies.

(6) We valued inland truck freight expenses using a per-unit average rate calculated from data on the following Web site: <http://www.infobanc.com/logistics/logtruck.htm>. The logistics section of this Web site contains inland freight truck rates between many large Indian cities. Since the truck rate value is based on an annual per-unit rate which includes two months of transactions falling in the POR, we are treating the derived average rate as contemporaneous. For rail freight, we use 2007–2008 data from the Web site www.Indianrailways.gov to derive,

where appropriate, input-specific train rates on a rupees per kilogram per kilometer basis ("Rs/kg/km"). For ship freight applicable to one domestic input, HSW did not report whether it was an NME or market economy carrier and, therefore, for the preliminary determination we used a surrogate international freight value from www.maerskline.com.

For further discussion of the surrogate values we used for these preliminary results of review, see the Factor Valuation Memorandum, which is on file in the Central Records Unit ("CRU") in Room 1117 of the main Department of Commerce building.

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.

Preliminary Results of Review

We preliminarily determine that the following margin exists for the period October 1, 2007 through September 30, 2008:

Manufacturer/exporter	Margin (percent)
Hangzhou Spring Washer Co. Ltd. (also known as Zhejiang Wanxin Group Co., Ltd.)	20.68

The Department will disclose calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

In accordance with 19 CFR 351.301(c)(3)(ii), for the final results of this administrative review, interested parties may submit publicly available information to value FOPs within 20 days after the date of publication of these preliminary results. Interested parties must provide the Department with supporting documentation for the publicly available information to value each FOP. Additionally, in accordance with 19 CFR 351.301(c)(1), for the final results of this administrative review, interested parties may submit factual information to rebut, clarify, or correct factual information submitted by an interested party less than ten days before, on, or after, the applicable deadline for submission of such factual information. However, the Department notes that 19 CFR 351.301(c)(1) permits new information only insofar as it rebuts, clarifies, or corrects information recently placed on the record. The Department generally cannot accept the

submission of additional, previously absent-from-the-record alternative surrogate value information pursuant to 19 CFR 351.301(c)(1). *See Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in Part*, 72 FR 58809 (October 17, 2007), and accompanying Issues and Decision Memorandum at Comment 2.

Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review. See 19 CFR 351.309(c)(ii). Rebuttal briefs are limited to issues raised in the case briefs and may be filed no later than five days after the time limit for filing the case briefs. See 19 CFR 351.309(d). Parties who submit arguments are requested to submit with the argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Further, the Department requests that parties submitting written comments provide the Department with a diskette containing the public version of those comments. Also, an interested party may request a hearing within 30 days of publication of the preliminary results. See 19 CFR 351.310(c). We will issue a memorandum identifying the date of a hearing, if one is requested.

The Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days of publication of the preliminary results, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon completion of this administration review, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of review. Pursuant to 19 CFR 351.212(b)(1), we will calculate importer- or customer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of the dumping margins calculated for the examined sales to the total entered value of those same sales. To determine whether the duty assessment rates are *de minimis* (i.e., less than 0.50 percent), in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we will calculate customer-specific *ad valorem* rates based on export prices.

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review if any

importer- or customer-specific assessment rate calculated in the final results of this review is above *de minimis*.

For entries of the subject merchandise during the POR from companies not subject to this review, we will instruct CBP to liquidate them at the cash deposit rate in effect at the time of entry. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

For HSW, we have calculated customer-specific antidumping duty assessment amounts for subject merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total quantity of sales examined. We calculated these assessment amounts because there is no information on the record which identifies entered values or the importers of record for the U.S. sales of HSW.

Cash Deposit Requirements

The following cash deposit requirements will apply to all shipments of certain helical spring lock washers from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) For HSW, which has a separate rate, the cash deposit rate will be the rate established in the final results of this administrative review; (2) for any previously reviewed or investigated PRC or non-PRC exporter, not covered in this review, with a separate rate, the cash deposit rate will be the company-specific rate established in the most recent segment of this proceeding; (3) for all other PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 128.63 percent; and (4) the cash deposit rate for any non-PRC exporter of subject merchandise from the PRC will be the rate applicable to the PRC exporter that supplied that exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this

review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

Dated: November 2, 2009.

Ronald Lorentzen,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order No. 1650]

Reorganization/Expansion of Foreign-Trade Zone 15 Kansas City, MO

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, the Greater Kansas City Foreign-Trade Zone, Inc., grantee of Foreign-Trade Zone 15, submitted an application to the Board for authority to reorganize and expand FTZ 15 in the Kansas City, area, within the Kansas City Customs and Border Protection port of entry (FTZ Docket 14-2009, filed 4/8/2009);

Whereas, notice inviting public comment has been given in the **Federal Register** (74 FR 17634-17635, 4/16/2009) and the application has been processed pursuant to the FTZ Act and the Board's regulations; and,

Whereas, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and Board's regulations are satisfied, and that the proposal is in the public interest;

Now, therefore, the Board hereby orders:

The application to reorganize and expand FTZ 15 is approved, subject to the FTZ Act and the Board's regulations, including Section 400.28, and to the Board's standard 2,000-acre activation limit for the overall general-purpose zone project, and further subject to a time limit that will terminate authority for Site 13 on October 31, 2014, subject to extension upon review.