

## DEPARTMENT OF COMMERCE

## International Trade Administration

[A-570-851]

**Certain Preserved Mushrooms From the People's Republic of China: Preliminary Results of New Shipper Review and Preliminary Results and Partial Rescission of Second Antidumping Duty Administrative Review**

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

**ACTION:** Notice of preliminary results of new shipper review and preliminary results and partial rescission of second antidumping duty administrative review.

**SUMMARY:** The Department of Commerce is currently conducting the new shipper review and second administrative review of the antidumping duty order on certain preserved mushrooms from the People's Republic of China covering the period February 1, 2000, through January 31, 2001. The new shipper review covers two exporters and the second administrative review covers three exporters. We have preliminarily determined that sales have been made below normal value with respect to three out of these five exporters. If these preliminary results are adopted in our final results of this review, we will instruct the U.S. Customs Service to assess antidumping duties on entries of subject merchandise during the period of review, for which the importer-specific assessment rates are above *de minimis*.

Interested parties are invited to comment on these preliminary results. We will issue the final results no later than 120 days from the date of publication of this notice.

**EFFECTIVE DATE:** March 6, 2002.

**FOR FURTHER INFORMATION CONTACT:** Brian Smith or Terre Keaton, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1766 or (202) 482-1280, respectively.

*The Applicable Statute:* Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the U.S. Department of Commerce's ("the Department's")

regulations are to 19 CFR part 351 (2001).

## SUPPLEMENTARY INFORMATION:

## Background

On February 19, 1999, the Department published in the *Federal Register* an amended final determination and antidumping duty order on certain preserved mushrooms from the People's Republic of China ("PRC") (64 FR 8308).

On February 14, 2001, the Department published a notice advising of the opportunity to request an administrative review of the antidumping duty order on certain preserved mushrooms from the PRC (66 FR 10269). On February 26, 2001, the Department received a timely request from Gerber Food (Yunnan) Co., Ltd. ("Gerber") for an administrative review pursuant to 19 CFR 351.213(b).

On February 27, 2001, the Department received timely requests from Shantou Hongda Industrial General Corporation ("Shantou Hongda") and Shenxian Dongxing Foods Co., Ltd. ("Shenxian Dongxing") for a new shipper review of this antidumping duty order in accordance with 19 CFR 351.214(c).

On February 28, 2001, the petitioner<sup>1</sup> requested an administrative review pursuant to 19 CFR 351.213(b) of 28 companies<sup>2</sup> which it claimed were producers and/or exporters of the

<sup>1</sup> The petitioner is the Coalition for Fair Preserved Mushroom Trade which includes the American Mushroom Institute and the following domestic companies: L.K. Bowman, Inc., Modern Mushroom Farms, Inc., Monterey Mushrooms, Inc., Mount Laurel Canning Corp., Mushrooms Canning Company, Southwood Farms, Sunny Dell Foods, Inc., and United Canning Corp.

<sup>2</sup> The petitioner request included the following companies: (1) Tak Fat Trading Co. ("Tak Fat"); (2) Mei Wei Food Industry Co., Ltd. ("Mei Wei"); (3) China Processed Food Import & Export Company ("China Processed"); (4) Fujian Yu Xing Fruits and Vegetables Foodstuffs Co., Ltd. ("Fujian Yu Xing"); (5) Raoping Xingyu Foods Co., Ltd. ("Raoping Xingyu"); (6) Raoping Yucun Canned Foods Factory ("Raoping Yucun"); (7) Shantou Hongda; (8) Shenxiang Dongxing; (9) Gerber; (10) Green Fresh Foods (Zhangzhou) Co., Ltd. ("Green Fresh"); (11) Zhang Zhou Longhai Lubao Food Co., Ltd. ("Zhang Zhou Longhai"); (12) Citic Ningbo Import & Export Corp., Ltd. ("Citic Ningbo"); (13) Shanghai Foodstuffs Import & Export Corporation ("Shanghai Foodstuffs"); (14) Zhejiang Cereals, Oils & Foodstuffs Import & Export Co., Ltd. ("Zhejiang Cereals"); (15) China Ningbo Canned Food Factory ("China Ningbo"); (16) Longhai Senox Limited ("Longhai Senox"); (17) Beiliu Canned Food Factory ("Beiliu Canned"); (18) Fujian Cereals, Oils & Foodstuffs Import & Export (Group) Corp. ("Fujian Cereals"); (19) Putian Cannery ("Putian"); (20) General Canned Food Factory of Zhangzhou; (21) Jiangsu Cereals, Oils & Foodstuffs Import & Export Group Corp. ("Jiangsu Cereals"); (22) Canned Goods Company of Raoping; (23) Shenzhen Cofry Cereals, Oils & Foodstuffs, Co., Ltd. ("Shenzhen Cofry"); (24) Xiamen Gulong Import & Export Co., Ltd. ("Xiamen Jiahua"); (25) Dongya Food Co., Ltd. ("Dongya"); and (26) Xiamen Jiahua Import & Export Trading Co., Ltd. ("Xiamen Jiahua").

subject merchandise. Three of these 28 companies also requested a review.

On March 12, 2001, both Shantou Hongda and Shenxian Dongxing agreed to waive the time limits applicable to the new shipper review and to permit the Department to conduct the new shipper review concurrently with the administrative review.

On March 16, 2001, the Department initiated an administrative review covering the companies listed in the petitioner's February 28, 2001, request (*see Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 66 FR 16037, 16039, (May 23, 2001)).

On March 26, 2001, the Department initiated a new shipper review of Shantou Hongda and Shenxian Dongxing (*see Certain Preserved Mushrooms from the People's Republic of China: Initiation of New Shipper Antidumping Duty Review*, 66 FR 17406 (May 30, 2001)).

On March 30, 2001, we issued a questionnaire to each PRC company listed in the above-referenced initiation notices. On April 3 and 4, and May 2, 2001, Shanghai Foodstuffs, Fujian Cereals, and the Canned Goods Company of Raoping each stated for the record that they did not make shipments of the subject merchandise to the U.S. market during the POR.

On April 3, and 4, 2001, the Department was notified by Federal Express that Federal Express was unable to deliver the Department's March 30, 2001, antidumping duty questionnaire to the following companies based on the mailing address provided: (1) Citic Ningbo; (2) China Ningbo; (3) Longhai Senox; (4) Beiliu Canned; (5) Shenzhen Cofry; (6) Jiangsu Cereals; (7) General Canned Food Factory of Zhangzhou; and (8) Dongya (*see* April 18, 2001, Memorandum to the File from Case Analyst for further details).

From May 5, through 29, 2001, China Processed, Gerber, Raoping Xingyu (and its supplier Raoping Yucun), Shantou Hongda, and Shenxian Dongxing submitted their responses to the Department's antidumping duty questionnaire.

From June 8 through 27, 2001, the petitioner submitted comments on questionnaire responses provided by Raoping Xingyu and Gerber, and comments on the Section A responses provided by Shantou Hongda and Shenxian Dongxing.

On June 20, 2001, the petitioner withdrew its request for an administrative review of China Processed, Fujian Yu Xing, and Xiamen Jiahua. Also, the petitioner requested an extension of time until August 9, 2001,

to submit factual information in this case, which the Department granted on June 22, 2001.

On July 3, 2001, the Department provided the parties an opportunity to submit publicly available information for consideration in these preliminary results.

On July 19, 2001, the Department published in the **Federal Register** a notice of postponement of the preliminary results until no later than February 28, 2002 (66 FR 37640).

On August 30, and 31, 2001, Gerber and the petitioner submitted publicly available information for use in valuing the factors of production. On September 7, 2001, Gerber provided rebuttal publicly available information and comments.

On September 28, 2001, the petitioner submitted comments on the Section C and D responses provided by Shantou Hongda and Shenxian Dongxing. On October 3, 2001, the Department issued supplemental questionnaires to Gerber, Raoping Xingyu, Shantou Hongda, and Shenxian Dongxing.

In November 2001, the respondents submitted their responses to the Department's supplemental questionnaires. In November and December 2001, the petitioner submitted additional comments on the supplemental responses provided by each respondent.

In December 2001, the Department issued each respondent a second supplemental questionnaire. In January and February 2002, the respondents submitted their responses to these questionnaires. In February 2002, the petitioner submitted additional comments on the responses filed by all four respondents. Two respondents, Gerber and Raoping Xingyu, submitted clarifications to items raised by the petitioner in its February 2002 filings. Based on the comments submitted, which were not received in time to be fully analyzed for the preliminary results, we intend to issue supplemental questionnaires soliciting certain additional information or clarification from the respondents, as appropriate, after the preliminary results, for consideration in the final results.

### Scope of Order

The products covered by this order are certain preserved mushrooms whether imported whole, sliced, diced, or as stems and pieces. The preserved mushrooms covered under this order are the species *Agaricus bisporus* and *Agaricus bitorquis*. "Preserved mushrooms" refer to mushrooms that have been prepared or preserved by cleaning, blanching, and sometimes

slicing or cutting. These mushrooms are then packed and heated in containers including but not limited to cans or glass jars in a suitable liquid medium, including but not limited to water, brine, butter or butter sauce. Preserved mushrooms may be imported whole, sliced, diced, or as stems and pieces. Included within the scope of this order are "brined" mushrooms, which are presalted and packed in a heavy salt solution to provisionally preserve them for further processing.

Excluded from the scope of this order are the following: (1) All other species of mushroom, including straw mushrooms; (2) all fresh and chilled mushrooms, including "refrigerated" or "quick blanched mushrooms"; (3) dried mushrooms; (4) frozen mushrooms; and (5) "marinated," "acidified" or "pickled" mushrooms, which are prepared or preserved by means of vinegar or acetic acid, but may contain oil or other additives.<sup>3</sup>

The merchandise subject to this order is currently classifiable under subheadings 2003.10.0027, 2003.10.0031, 2003.10.0037, 2003.10.0043, 2003.10.0047, 2003.10.0053, and 0711.90.4000 of the Harmonized Tariff Schedule of the United States<sup>4</sup> ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

### Period of Reviews

The reviews ("POR") cover the period February 1, 2000, through January 31, 2001.

### Partial Rescission of Administrative Review

We are preliminarily rescinding this review with respect to China Processed, Fujian Yu Xing, and Xiamen Jiahua because the petitioner withdrew its request for review and no other interested party requested a review of these companies.

Furthermore, we are preliminarily rescinding this review with respect to Shanghai Foodstuffs, Fujian Cereals, and the Canned Goods Company of

Raoping, each of which reported that it made no shipments of subject merchandise during this POR, based on the results of our examination of shipment data furnished by the Customs Service. Because the shipment data we examined did not show U.S. entries of the subject merchandise during the POR from Shanghai Foodstuffs, Fujian Cereals or the Canned Goods Company of Raoping, we pursued no further this inquiry with the Customs Service.

Moreover, the shipment data we examined did not show U.S. entries of the subject merchandise during the POR from Tak Fat, Mei Wei, Zhang Zhou Longhai, Citic Ningbo, Zhejiang Cereals, China Ningbo, Longhai Senox, Beiliu Canned, Putian, General Canned Food Factory of Zhangzhou, Jiangsu Cereals, Shenzhen Cofry, Xiamen Gulong, and Dongya. Therefore, we are preliminarily rescinding this review with respect to these companies as well.

However, the shipment data we examined did show U.S. entries of the subject merchandise during the POR from Green Fresh.

### Facts Available

Section 776(a) of the Act provides that, if an interested party withholds information that has been requested by the Department, fails to provide such information in a timely manner or in the form or manner requested (subject to sections 782(c)(1) and 782(e) of the Act), significantly impedes a proceeding under the antidumping statute, or provides information which cannot be verified, the Department shall use, subject to section 782(d) of the Act, facts otherwise available in reaching the applicable determination. Because Green Fresh shipped subject merchandise to the United States during the POR, but failed to respond to the Department's antidumping duty questionnaire, we find that the use of facts available is warranted in this segment of the proceeding with respect to Green Fresh.

In addition, section 776(b) of the Act provides that, if the Department finds that an interested party "has failed to cooperate by not acting to the best of its ability to comply with a request for information," the Department may use information that is adverse to the interests of that party as facts otherwise available. Section 776(b) of the Act further provides that, in selecting from among the facts available, the Department may employ adverse inferences against an interested party if that party failed to cooperate by not acting to the best of its ability to comply with requests for information. See also "Statement of Administrative Action"

<sup>3</sup> On June 19, 2000, the Department affirmed that "marinated," "acidified," or "pickled" mushrooms containing less than 0.5 percent acetic acid are within the scope of the antidumping duty order. See "Recommendation Memorandum—Final Ruling of Request by Tak Fat, *et al.* for Exclusion of Certain Marinated, Acidified Mushrooms from the Scope of the Antidumping Duty Order on Certain Preserved Mushrooms from the People's Republic of China," dated June 19, 2000.

<sup>4</sup> As of January 1, 2002, the HTS codes are as follows: 2003.10.0127, 2003.10.0131, 2003.10.0137, 2003.10.0143, 2003.10.0147, 2003.10.0153, and 0711.51.0000.

accompanying the URAA, H.R. Rep. No. 103-316, 870 (1994) ("SAA").

As stated above, U.S. Customs data indicates that Green Fresh made shipments of the subject merchandise to the U.S. market during the POR. However, it failed to respond to the Department's March 30, 2001, antidumping duty questionnaire. Further, Green Fresh has participated in a prior review and yet provided the Department with no explanation as to why it could not respond in this review. Therefore, Green Fresh failed to cooperate to the best of its ability in this segment of the proceeding. As a result, pursuant to section 776(b) of the Act, we have made the adverse inference that Green Fresh no longer qualifies for a separate rate. Thus, we have treated it as part of the non-market economy ("NME") entity, which is subject to the PRC-wide rate.

### Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty deposit rate (*i.e.*, a PRC-wide rate). One respondent in these reviews, Gerber, is wholly foreign-owned by persons located outside the PRC. Thus, for Gerber, because we have no evidence indicating that it is under the control of the PRC government, a separate rates analysis is not necessary to determine whether it is independent from government control (*see Brake Rotors from the People's Republic of China: Final Results and Partial Rescission of Fifth New Shipper Review*, 66 FR 44331 (August 23, 2001) (which cites to *Brake Rotors from the People's Republic of China: Preliminary Results and Partial Rescission of the Fifth New Shipper Review and Rescission of the Third Antidumping Duty Administrative Review*, 66 FR 29080 (May 29, 2001) (where the respondent was wholly-owned by a U.S. registered company); (*Brake Rotors from the People's Republic of China: Final Results and Partial Rescission of Fourth New Shipper Review and Rescission of Third Antidumping Duty Administrative Review*, 66 FR 27063 (May 16, 2001) (which cites to *Brake Rotors from the People's Republic of China: Preliminary Results and Partial Rescission of the Fourth New Shipper Review and Rescission of the Third Antidumping Duty Administrative Review*, 66 FR 1303, 1306 (January 8, 2001) (where the respondent was wholly-foreign owned by a company located in Hong Kong); and *Notice of Final Determination of*

*Sales at Less Than Fair Value: Creatine Monohydrate from the People's Republic of China*, 64 FR 71104, 71105 (December 20, 1999) (where the respondent was wholly-owned by persons located in Hong Kong)).

Two respondents, Raoping Xingyu and Shenxian Dongxing, are joint ventures. The other respondent, Shantou Hongda, is owned by all of the people. Thus, a separate-rates analysis is necessary to determine whether each of these three exporters is independent from government control (*see Notice of Final Determination of Sales at Less Than Fair Value: Bicycles From the People's Republic of China* ("Bicycles"), 61 FR 56570 (April 30, 1996)). To establish whether a firm is sufficiently independent in its export activities from government control to be entitled to a separate rate, the Department utilizes a test arising from the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) ("Sparklers"), and amplified in the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("Silicon Carbide"). Under the separate-rates criteria, the Department assigns separate rates in NME cases only if the respondent can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

#### 1. De Jure Control

Raoping Xingyu, Shantou Hongda, and Shenxian Dongxing have placed on the administrative record the following document to demonstrate absence of *de jure* control: the 1994 "Foreign Trade Law of the People's Republic of China." In other cases involving products from the PRC, respondents have submitted the following additional documents to demonstrate absence of *de jure* control: the Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People," adopted on April 13, 1988 ("the Industrial Enterprises Law"); "The Enterprise Legal Person Registration Administrative Regulations," promulgated on June 13, 1988; the 1990 "Regulation Governing Rural Collectively-Owned Enterprises of PRC;" and the 1992 "Regulations for Transformation of Operational Mechanisms of State-Owned Industrial Enterprises" ("Business Operation Provisions") (*see* February 28, 2002, memorandum to the file which places the above-referenced laws on the record of this proceeding).

As in prior cases, we have analyzed these laws and have found them to

establish sufficiently an absence of *de jure* control of joint ventures and companies owned by "all of the people." *See, e.g., Final Determination of Sales at Less than Fair Value: Furfuryl Alcohol from the People's Republic of China* ("Furfuryl Alcohol"), 60 FR 22544 (May 8, 1995), and *Preliminary Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China*, 60 FR 29571 (June 5, 1995).

#### 2. 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 and Furfuryl Alcohol*. Therefore, the Department has determined that an analysis of *de facto* control is critical in determining whether the respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

The Department typically considers four factors in evaluating whether each respondent is subject to *de facto* governmental control of its export functions: (1) Whether the export prices are set by, or subject to the approval of, a governmental authority; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding the disposition of profits or financing of losses (*see Silicon Carbide and Furfuryl Alcohol*).

Raoping Xingyu, Shantou Hongda, and Shenxian Dongxing each has asserted the following: (1) Each establishes its own export prices; (2) each negotiates contracts without guidance from any governmental entities or organizations; (3) each makes its own personnel decisions; and (4) each retains the proceeds of its export sales, uses profits according to its business needs, and has the authority to sell its assets and to obtain loans. Additionally, each respondent's questionnaire responses indicate that its pricing during the POR does not suggest coordination among exporters. This information supports a preliminary finding that there is *de facto* absence of governmental control of the export functions performed by Raoping Xingyu, Shantou Hongda, and Shenxian

Dongxing. *See Pure Magnesium from the People's Republic of China: Preliminary Results of Antidumping Duty New Shipper Administrative Review*, 62 FR 55215 (October 23, 1997). Consequently, we have preliminarily determined that each respondent has met the criteria for the application of separate rates.

#### Fair Value Comparisons

To determine whether sales of the subject merchandise by each respondent to the United States were made at LTFV, we compared the export price to the normal value, as described in the "Export Price" and "Normal Value" sections of this notice, below.

#### Export Price

We used export price methodology in accordance with section 772(a) of the Act because the subject merchandise was sold by the exporter directly to an unaffiliated customer in the United States prior to importation and constructed export price was not otherwise indicated. We made the following company-specific adjustments as follows:

##### A. Gerber

For Gerber, we calculated export price based on packed, FOB foreign port prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight and foreign brokerage and handling charges in the PRC in accordance with section 772(c) of the Act. Because foreign inland freight and foreign brokerage and handling fees were provided by PRC service providers or paid for in a renminbi, we based those charges on surrogate rates from India (*see* "Surrogate Country" section below for further discussion of our surrogate country selection). To value foreign inland trucking charges, we used a November 1999 average truck freight value based on price quotes from Indian trucking companies. We most recently used this rate in a new shipper review of brake rotors from the PRC (*see Brake Rotors from the People's Republic of China: Final Results and Partial Rescission of Fifth Antidumping Duty New Shipper Review*, 66 FR 44331 (August 23, 2001) (which cites to the "Issues and Decision Memorandum" from Richard W. Moreland, Deputy Assistant Secretary for Import Administration, to Faryar Shirzad, Assistant Secretary for Import Administration, dated August 17, 2001) ("Brake Rotors New Shipper Review")). To value foreign brokerage and handling expenses, we relied on public

information reported in the 1997–1998 antidumping duty new shipper review of stainless steel wire rod from India (*see also Brake Rotors Fifth New Shipper Review*).

##### B. Raoping Xingyu

For Raoping Xingyu, we calculated export price based on packed, C&F foreign port prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight and international freight (which included ocean freight and foreign brokerage and handling expenses) in accordance with section 772(c) of the Act. Because foreign inland freight was provided by PRC service providers or paid for in renminbi, we based this charge on surrogate rates from India (*see* discussion above for further details). Because international freight for all U.S. sales was provided by a market-economy service provider and paid for in U.S. dollars, we relied on the amounts reported for this charge by Raoping Xingyu.

##### C. Shantou Hongda

For Shantou Hongda, we calculated export price based on packed, FOB foreign port prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight and brokerage and handling expenses in accordance with section 772(c) of the Act. Because foreign inland freight and brokerage and handling expenses were provided by PRC service providers or paid for in renminbi, we based these charges on surrogate rates from India (*see* discussion above for further details).

##### D. Shenxian Dongxing

For Shenxian Dongxing, we calculated export price based on packed, C&F foreign port prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight in accordance with section 772(c) of the Act. Because foreign inland freight was provided by PRC service providers or paid for in renminbi, we based this charge on surrogate rates from India (*see* discussion above for further details). Because Shenxian Dongxing separately invoiced the U.S. customer for the total amount of ocean freight and foreign brokerage and handling expenses incurred for its sales, we did not deduct an amount for these expenses from the starting price.

#### Normal Value

##### A. Non-Market Economy Status

In every case conducted by the Department involving the PRC, the PRC has been treated as a NME country. Pursuant to section 771(18)(C)(i) of the Act, any determination that a foreign country is a NME country shall remain in effect until revoked by the administering authority (*see Notice of Preliminary Results of Antidumping Duty Administrative Review and Preliminary Partial Rescission of Antidumping Duty Administrative Review: Freshwater Crawfish Tail Meat From the People's Republic of China*, 66 FR 52100, 52103 (October 12, 2001)). None of the parties to this proceeding has contested such treatment. Accordingly, we calculated normal value in accordance with section 773(c) of the Act, which applies to NME countries.

##### B. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value a NME producer's factors of production, to the extent possible, in one or more market economy countries that (1) are at a level of economic development comparable to that of the NME country, and (2) are significant producers of comparable merchandise. India is among the countries comparable to the PRC in terms of overall economic development (*see* May 8, 2001, Memorandum from the Office of Policy to the Case Analyst). In addition, based on publicly available information placed on the record, India is a significant producer of the subject merchandise. Accordingly, we considered India the primary surrogate country for purposes of valuing the factors of production because it meets the Department's criteria for surrogate country selection.

##### C. Factors of Production

In accordance with section 773(c) of the Act, we calculated normal value based on the factors of production which included, but were not limited to: (A) Hours of labor required; (B) quantities of raw materials employed; (C) amounts of energy and other utilities consumed; and (D) representative capital costs, including depreciation. We used the factors reported by the four respondents which produced the subject merchandise they exported to the United States during the POR. To calculate normal value, we multiplied the reported unit factor quantities by publicly available Indian values.

One respondent, Raoping Xingyu, reported its factors of production on a can size-specific basis. For the

preliminary results, we have accepted its method of reporting its factors since there is no information on the record which indicates that it maintains records which could have enabled it to report its factors on a more specific basis (*i.e.*, mushroom style basis).<sup>5</sup> However, for certain U.S. sales, Raoping Xingyu did not indicate which reported factors were associated with those U.S. sales. For the preliminary results, we have assigned factors to those U.S. sales based on data contained in Raoping Xingyu's response for the same can size. In addition, although Raoping Xingyu reported separate market-economy prices for certain inputs (*i.e.*, lids and cans), it reported the usage of both inputs as one factor. Because, we have no way of separating this data, this reporting method prevents us from using the reported market-economy prices to value this input in our analysis. Therefore, for the preliminary results, we have used a surrogate value for Raoping Xingyu's reported factors for this input. We intend to issue Raoping Xingyu another supplemental questionnaire in order to address these matters prior to the final results.

The Department's selection of the surrogate values applied in this determination was based on the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices to make them delivered prices. For those values not contemporaneous with the POR and quoted in a foreign currency or in U.S. dollars, we adjusted for inflation using wholesale price indices published in the International Monetary Fund's *International Financial Statistics*.

To value fresh mushrooms, we used an average price based on data from February–July 2000 as contained in the *Economic Times of India* and data contained in the 1999–2000 financial reports of Agro Dutch Foods Ltd. ("Agro Dutch") and Premier Explosives Ltd. ("Premier"). For those respondents which purchased brined mushrooms, we also used the fresh mushroom price to value brined mushrooms because we were unable to obtain publicly available information which contained a price for brined mushrooms.

To value spawn and manure, we used an average price based on data contained in the 1999–2000 financial reports of Agro Dutch and Flex Foods Ltd. ("Flex Foods") (*i.e.*, two Indian producers of the subject merchandise). To value straw, we used an average price based on data contained in the 1999–2000 financial reports of Agro

Dutch, Flex Foods, and Premier. To value grain and phosphate super, we used price data contained in Flex Foods' 1999–2000 financial report because no other data or data which was as contemporaneous was available from the other financial reports on the record. To value tin cans and lids, we used price data contained in Agro Dutch's 1999–2000 financial report because no such data was available from the other financial reports on the record. To value salt, we used price data contained in the 1998–1999 financial report of Weikfield Agro Products Ltd. (*i.e.*, another Indian producer of the subject merchandise) because no such data was available from the other financial reports on the record. To value citric acid, boric acid, magnesium sulfate, calcium carbonate, and formaldehyde, we used an average price based on April 2000–February 2001 data contained in *Monthly Statistics of the Foreign Trade of India* ("Monthly Statistics") and February 2000–January 2001 data contained in *Chemical Weekly*. For those prices obtained from *Chemical Weekly*, where appropriate, we also deducted an amount for excise taxes based on the methodology applied to values from the same source in a prior review involving the subject merchandise from the PRC (*see* page 4 of the May 31, 2001, Preliminary Results Valuation Memorandum for the *Preliminary Results of New Shipper Review: Certain Preserved Mushrooms from the People's Republic of China*, 66 FR 30695 (June 7, 2001) (which has been placed on the record of this proceeding)). To value calcium phosphate, we used a December 1999 value from *Chemical Market Reporter*. Since the value from *Chemical Market Reporter* was in U.S. dollars and contemporaneous with the POR, we did not inflate this value.

To value gypsum, cotton, tin plate, copper conducting wire, copper, wire scrap, can and lid scrap, and tin plate scrap, and coal, we used April 2000–February 2001 average import values from *Monthly Statistics*. To value furnace oil, we used price data contained in Hindustan Lever Limited's ("Hindustan's") 1999–2000 financial report because no other data was available from the other financial reports on the record. We also added an amount for loading and additional transportation charges associated with delivering coal to the factory based on June 1999 Indian price data contained in the periodical *Business Line*.

We did not value water separately because, consistent with our methodology used in prior reviews of the subject merchandise, we believe that the costs for water are included as

factory overhead in the Indian financial statements used to calculate factory overhead, selling, general, and administrative ("SG&A") expenses, and profit (*see Preliminary Results of New Shipper Review: Certain Preserved Mushrooms from the People's Republic of China*, 66 FR 30695, 30697 (June 7, 2001)).

To value electricity, we used an average rate based on data contained in the financial statements of three Indian producers of the subject merchandise.

We valued labor based on a regression-based wage rate, in accordance with 19 CFR 351.408(c)(3).

To value factory overhead and SG&A expenses, we used the audited 1999–2000 financial data of Agro Dutch, Flex Foods, and Himalya International Ltd. ("Himalya"). However, to value profit, we only used the 1999–2000 financial data of Agro Dutch and Himalya because Flex Foods did not realize a profit during that year (*see Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Moldova*, 66 FR 33525 (June 22, 2001) and accompanying decision memorandum at Comment 3). In addition, we did not use the 1999–2000 fiscal data obtained for Premier or the 1999–2000 fiscal data obtained for Hindustan because although each company produces the subject merchandise, the subject merchandise is but one of several products which they produce and is not the major product produced by either company.

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

All inputs were shipped by truck. Therefore, to value PRC inland freight, we used a November 1999 average truck freight value based on price quotes from Indian trucking companies.

In accordance with the decision of the Court of Appeals for the Federal Circuit in *Sigma Corp. v. United States*, 117 F. 3d 1401 (Fed. Cir. 1997), we revised our methodology for calculating source-to-factory surrogate freight for those material inputs that are valued based on CIF import values in the surrogate country. Therefore, we have added to CIF surrogate values from India a surrogate freight cost using the shorter of the reported distances from either the closest PRC port of importation to the

<sup>5</sup> Buttons, whole, and slices are examples of different mushroom styles.

factory, or from the domestic supplier to the factory on an input-specific basis.

To value corrugated cartons, labels, paper, separators, tape, and glue we used April 2000–February 2001 average import values from *Monthly Statistics*.

#### Preliminary Results of the Review

We preliminarily determine that the following margin exists for following exporters during the period February 1, 2000, through January 31, 2001:

Manufacturer/pro- ducer/exporter	Margin percent
Gerber Food (Yunnan) Co., Ltd..	46.80
Raoping Xingyu Foods, Co., Ltd..	23.52
Shantou Hongda In- dustrial General Corporation.	0.00 ( <i>de minimis</i> )
Shenxian Dongxing Foods Co., Ltd..	0.00 ( <i>de minimis</i> )
PRC-Wide Rate .....	198.63

We will disclose the calculations used in our analysis to parties to this proceeding within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of publication of this notice. If requested, a hearing will be scheduled upon receipt of responses to supplemental questionnaires and determination of briefing schedule.

Interested parties who wish to request a hearing or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room B-099, within 30 days of the date of publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. See 19 CFR 351.310(c).

Issues raised in the hearing will be limited to those raised in case briefs and rebuttal briefs. Case briefs from interested parties and rebuttal briefs, limited to the issues raised in the respective case briefs, may be submitted in accordance with a schedule to be determined upon the receipt of responses to supplemental questionnaires, which the Department will issue subsequent to the preliminary results. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) A statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

The Department will issue the final results of these administrative and new

shipper reviews, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

#### Assessment Rates

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Pursuant to 19 CFR 351.212(b)(1), we will calculate importer-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. In order to estimate the entered value, we will subtract applicable movement expenses from the gross sales value. In accordance with 19 CFR 351.106(c)(2), we will instruct the Customs Service to liquidate without regard to antidumping duties all entries of subject merchandise during the POR for which the importer-specific assessment rate is zero or *de minimis* (*i.e.*, less than 0.50 percent). For entries subject to the PRC-wide rate, the Customs Service shall assess *ad valorem* duties at the rate established in the LTFV investigation. The Department will issue appropriate appraisal instructions directly to the Customs Service upon completion of this review.

#### Cash Deposit Requirements

Upon completion of this review, for entries from each respondent listed above, we will require cash deposits at the rate established in the final results pursuant to 19 CFR 351.214(e) and as further described below.

The following deposit requirements will be effective upon publication of the final results of these antidumping administrative and new shipper reviews for all shipments of certain preserved mushrooms from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for each respondent listed above will be the rate established in the final results; (2) the cash deposit rate for PRC exporters who received a separate rate in a prior segment of the proceeding, who did not export subject merchandise during the POR, or for which there was no request for administrative review (*i.e.*, China Processed, Fujian Yu Xing, Xiamen Jiahua, Fujian Cereals, Shanghai Foodstuffs, the Canned Goods Company of Raoping, Tak Fat, Mei Wei, Zhang Zhou Longhai, Citic Ningbo, Zhejiang Cereals, China Ningbo, Longhai Senox, Beiliu Canned, Putian, General Canned Food Factory of Zhangzhou, Jiangsu

Cereals, Shenzhen Cofry, Xiamen Gulong, and Dongya) will continue to be the rate assigned in that segment of the proceeding; (3) the cash deposit rate for the PRC NME entity will continue to be 198.63 percent; and (4) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

#### Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These administrative and new shipper reviews and notice are in accordance with sections 751(a)(1) and (2)(B) of the Act.

Dated: February 28, 2002.

**Faryar Shirzad,**  
Assistant Secretary for Import  
Administration.

[FR Doc. 02-5347 Filed 3-5-02; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-201-822]

#### Stainless Steel Sheet and Strip in Coils from Mexico; Antidumping Duty Administrative Review; Time Limits

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

**ACTION:** Notice of Extension of Time Limits.

**SUMMARY:** The Department of Commerce (the Department) is extending the time limits for the preliminary results of the 2000–2001 administrative review of the antidumping duty order on stainless steel sheet and strip in coils from Mexico. This review covers one manufacturer/exporter of the subject merchandise to the United States and the period July 1, 2000 through June 30, 2001.

**EFFECTIVE DATE:** March 6, 2002.

**FOR FURTHER INFORMATION CONTACT:** Deborah Scott at (202) 482-2657 or