

Road in the Jefferson County Industrial Park (Site 1). The facility is used to produce pressure-sensitive adhesive athletic tape with textile fabric backing material for the U.S. market and export.

JCIDA has now amended the application to provide updated and corrected information regarding the domestic availability and technical specifications of the textile fabric that would be used as an input to NAT's manufacturing process.

Public comment on the amended application is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at the following address: Office of the Executive Secretary, Room 2111, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230-0002. The closing period for receipt of comments is April 5, 2012. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to April 20, 2012.

A copy of the amended application will be available for public inspection at the Office of the Foreign-Trade Zones Board's Executive Secretary at the address listed above and in the "Reading Room" section of the Board's Web site, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz). For further information, contact Pierre Duy at or (202) 482-1378.

Dated: February 29, 2012.

**Andrew McGilvray,**

*Executive Secretary.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-851]

#### **Certain Preserved Mushrooms From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, and Rescission in Part**

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

**DATES:** *Effective Date:* March 6, 2012.

**SUMMARY:** The Department of Commerce ("the Department") is currently conducting an administrative review of the antidumping duty order on certain preserved mushrooms from the People's Republic of China ("PRC") covering the period February 1, 2010, through January 31, 2011. We preliminarily determine that sales made by Blue Field

(Sichuan) Food Industrial Co., Ltd. (Blue Field), and Dujiangyan Xingda Foodstuffs Co., Ltd. (Xingda) were made below normal value ("NV"). We invite interested parties to comment on these preliminary results. In addition, we are also rescinding this administrative review with respect to China National Cereals, Oils & Foodstuffs Import & Export Corp. (China National), China Processed Food Import & Export Co. (China Processed), Fujian Pinghe Baofeng Canned Foods (Fujian Pinghe), Fujian Yuxing Fruits and Vegetables Foodstuffs Development Co., Ltd. (Fujian Yuxing), Fujian Zishan Group Co., Ltd. (Fujian Zishan), Guangxi Eastwing Trading Co., Ltd. (Guangxi Eastwing), Guangxi Hengyong Industrial & Commercial Dev. Ltd. (Guangxi Hengyong), Guangxi Jisheng Foods, Inc. (Jisheng), Linyi City Kangfu Foodstuff Drinkable Co., Ltd. (Linyi City), Longhai Guangfa Food Co., Ltd. (Longhai Guangfa), Primera Harvest (Xingfan) Co., Ltd. (Primera Harvest), Shandong Fengyu Edible Fungus Corporation Ltd. (Shandong Fengyu), Sun Wave Trading Co., Ltd. (Sun Wave Trading), Xiamen Greenland Import & Export Co., Ltd. (Xiamen Greenland), Xiamen Gulong Import & Export Co., Ltd. (Xiamen Gulong), Xiamen Jiahua Import & Export Trading Co., Ltd. (Xiamen Jiahua), Xiamen International Trade & Industrial Co., Ltd. (XITIC), Xiamen Longhuai Import & Export Co., Ltd. (Xiamen Longhuai), Zhangzhou Ganchang Foods Co., Ltd. (Zhangzhou Ganchang), Zhangzhou Hongda Import & Export Trading Co., Ltd. (Zhangzhou Hongda), and Zhangzhou Tongfa Foods Industry Co., Ltd. (Zhangzhou Tongfa).

#### **FOR FURTHER INFORMATION CONTACT:**

Michael J. Heaney, or Robert James, 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) 482-4475 or (202) 482-0649, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On February 19, 1999, the Department published in the **Federal Register** the antidumping duty order on certain preserved mushrooms ("mushrooms") from the PRC.<sup>1</sup> On February 1, 2011, the Department published in the **Federal Register** its notice of opportunity to request an administrative review of the

antidumping duty order on mushrooms from the PRC.<sup>2</sup> On February 25, 2011, Ayecue (Liaocheng) Foodstuff Co., Ltd. (Ayecue) filed a request for review. On February 28, 2011, Blue Field also filed a review request. Finally, on February 28, 2011, Petitioner, Monterey Mushrooms, Inc., requested reviews for the following exporters: (1) Ayecue, (2) Blue Field, (3) China National, (4) China Processed, (5) Dujiangyan Xingda Foodstuffs Co., Ltd. (Xingda), (6) Fujian Golden Banyan Foodstuffs Co., Ltd. (Golden Banyan), (7) Fujian Pinghe, (8) Fujian Yuxing, (9) Fujian Zishan, (10) Guangxi Eastwing, (11) Guangxi Hengyong, (12) Jisheng, (13) Linyi City, (14) Longhai Guangfa, (15) Primera Harvest, (16) Shandong Fengyu, (17) Shandong Jiufa, (18) Sun Wave Trading, (19) Xiamen Greenland, (20) Xiamen Gulong, (21) XITIC, (22) Xiamen Jiahua, (23) XITIC, (24) Xiamen Longhuai, (25) Zhangzhou Ganchang, Ltd. (Zhangzhou Ganchang), (26) Zhangzhou Golden Banyan Foodstuffs Industrial Co., Ltd. (Zhangzhou Golden), (27) Zhangzhou Hongda, (28) Zhangzhou Tongfa Foods Industry Co., Ltd., (Zhangzhou Tongfa) and (29) Zhejiang Iceman Food Co., Ltd (Zhejiang Iceman). On March 31 2011, the Department published in the **Federal Register** a notice of initiation of the antidumping duty administrative review of mushrooms from the PRC for the period February 1, 2010, through January 31, 2011, with respect to the 28 companies named in the review requests specified above.<sup>3</sup>

On April 8, 2011, we received a separate rate certification from Ayecue. On April 28, 2010, we received a separate rate certification from Jisheng.

On May 27, 2011, Shandong Jiufa submitted a separate rate certification. On May 31, 2011, Golden Banyan filed a separate rate certification.

On June 27, 2011 the petitioner filed a letter withdrawing its request for Linyi City and for Zhangzhou Ganchang. Finally, on June 29, 2011, the petitioner filed a letter withdrawing its request for review of XITIC. As the review request was timely withdrawn for one of the exporters previously selected for examination (*i.e.*, XITIC), the Department selected an additional exporter for individual examination in this administrative review according to the methodology specified below.

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 76 FR 5559 (February 1, 2011).

<sup>3</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews, Request for Revocation in Part, and Deferral of Administrative Review*, 76 FR 17825 (March 31, 2011) ("Initiation Notice").

<sup>1</sup> See *Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Preserved Mushrooms From the People's Republic of China*, 64 FR 8308 (February 19, 1999) ("the Order").

## Respondent Selection

Section 777A(c)(1) of the Tariff Act of 1930, as amended ("the Act"), directs the Department to calculate individual dumping margins for each known exporter or producer of the subject merchandise. However, section 777A(c)(2) of the Act gives the Department discretion to limit its examination to a reasonable number of exporters or producers if it is not practicable to examine all exporters or producers involved in the review.

On April 4, 2011, the Department released U.S. Customs and Border Protection ("CBP") data for entries of the subject merchandise during the period of review ("POR") under administrative protective order ("APO") to all interested parties having an APO, inviting comments regarding the CBP data and respondent selection. The Department received comments from Ayecue on April 8, 2011, and XITIC, Shandong Jiufia, and Blue Field on April 13, 2011.

Based on the large number of potential exporters or producers involved in this administrative review and, after considering our resources, we determined that it was not practicable to individually examine all 28 companies. Accordingly, on May 18, 2011, we issued our first respondent selection memorandum indicating that, pursuant to section 777A(c)(2)(B) of the Act, we could reasonably examine only the two largest producers/exporters of subject merchandise by volume. Therefore, we selected Blue Field and XITIC as mandatory respondents.<sup>4</sup> As noted, previously, on June 29, 2011, the petitioner filed a letter withdrawing its request for review of XITIC. Accordingly, on July 22, 2011, we issued a second respondent selection memorandum in which we selected Xingda, the second largest exporter of the remaining respondents for which the Department had a continuing request for review, as the second respondent in this review.<sup>5</sup>

We issued our antidumping questionnaire to Blue Field and Xingda

on June 1, 2011, and July 25, 2011, respectively. On October 26, 2011, we issued supplemental questionnaires to Blue Field and Xingda. Blue Field and Xingda filed their responses to our request for supplemental information on November 10, 2011.

## Verification

From January 9 through January 13, we conducted a verification of Blue Field. We used standard verification procedures, including examination of relevant accounting and production records, as well as source documentation provided by the respondents.<sup>6</sup>

## Surrogate Country and Surrogate Value Data

### Partial Rescission

Section 351.213(d)(1) of the Department's regulations provide that the Department will rescind an administrative review if the party that requested the review withdraws its request for review within 90 days of the date of publication of the notice of initiation of the requested review, or withdraws it at a later date if the Department determines it is reasonable to extend the time limit for withdrawing the request. The Department initiated this administrative review on March 31, 2011. *See Initiation Notice*, 76 FR 17825.

Petitioner withdrew its request for review for 18 exporters on May 6, 2011. Additionally, on June 27, 2011 petitioner withdrew its request for review of Linyi City and for Zhangzhou Ganchang. Finally, on June 29, 2011, the petitioner filed a letter withdrawing its request for review of XITIC. Because the party that requested this review has timely withdrawn the request for review, we are rescinding this review with respect to the following companies: (1) China National, (2) China Processed, (3) Fujian Pinghe, (4) Fujian Yuxing, (5) Fujian Zishan, (6) Guangxi Eastwing, (7) Guangxi Hengyong, (8) Jisheng, (9) Linyi City, (10) Longhai Guangfa, (11) Primera Harvest, (12) Shandong Fengyu, (13) Sun Wave Trading, (14) Xiamen Greenland, (15) Xiamen Gulong, (16) Xiamen Jiahua, (17) XITIC, (18) Xiamen Longhuai, (19) Zhangzhou Ganchang, (20) Zhangzhou Hongda, and (21) Zhangzhou Tongfa.

<sup>6</sup> See "Verification of the Sales and Factors Response of Blue Field in the Antidumping Review of Certain Preserved Mushrooms" ("Blue Filed Verification Report"), dated February 14, 2012.

## Scope of the Order

The products covered by this order are certain preserved mushrooms, whether imported whole, sliced, diced, or as stems and pieces. The certain preserved mushrooms covered under this order are the species *Agaricus bisporus* and *Agaricus bitorquis*. "Certain Preserved Mushrooms" refers 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. Certain 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.<sup>7</sup>

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.

The merchandise subject to this order is classifiable under subheadings: 2003.10.0127, 2003.10.0131, 2003.10.0137, 2003.10.0143, 2003.10.0147, 2003.10.0153, and 0711.51.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this order is dispositive.

## Non-Market Economy Country Status

In every case conducted by the Department involving the PRC, we have treated the PRC as a non-market economy ("NME") country.<sup>8</sup> In

<sup>7</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. On February 9, 2005, the United States Court of Appeals for the Federal Circuit upheld this decision. *See Tak Fat v. United States*, 396 F.3d 1378 (Fed. Cir. 2005).

<sup>8</sup> See, e.g., *Pure Magnesium from the People's Republic of China: Final Results of Antidumping*

Continued

<sup>4</sup> See Memorandum to Richard Weible, Director, AD/CVD Operations, Office 7, from Michael J. Heaney, Analyst, AD/CVD Operations, Office 7, Subject: "Administrative Review of the Antidumping Duty Order on Certain Preserved Mushrooms from the People's Republic of China: Respondent Selection Memorandum," dated May 18, 2011.

<sup>5</sup> See Memorandum to Richard Weible, Director, AD/CVD Operations, Office 7, from Michael J. Heaney, Analyst, AD/CVD Operations, Office 7, Subject: "Administrative Review of the Antidumping Duty Order on Certain Preserved Mushrooms from the People's Republic of China: Respondent Selection Memorandum," dated July 22, 2011.

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 Department.<sup>9</sup>

### Separate Rates Determination

It is the Department's 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*"), and 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*").

In the *Initiation Notice*, the Department stated that all firms that wish to qualify for separate-rate status must complete, as appropriate, either a separate-rate application or certification. See *Initiation Notice*, 76 FR at 17826. To establish separate-rate eligibility, the Department requires entities for which a review was requested that were assigned a separate rate in the most recent segment of the proceeding in which they participated to certify that they continue to meet the criteria for obtaining a separate rate. In this administrative review, Ayecue, Fujian Golden Banyan Foodstuffs, and Shandong Juifa ("the separate-rate applicants") each submitted a separate-rate certification indicating they continued to meet the criteria for obtaining a separate rate. Additionally, Blue Field and Xingda both submitted a separate-rate certification and answered all the separate-rate questions in our questionnaires. As such, we have determined that Blue Field, Xingda, and the separate-rate applicants each provided company-specific information and each stated that it met the criteria for the assignment of a separate rate.

The Department's separate-rate test to determine whether the exporter is independent from government control does not consider, in general, macroeconomic/border-type controls (e.g., export licenses, quotas, and minimum export prices), particularly if these controls are imposed to prevent dumping. The test focuses, rather, on controls over the investment, pricing, and output decision-making process at the individual firm level.<sup>10</sup>

### 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 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.

In this administrative review, Blue Field and Xingda demonstrated, and the separate-rate applicants certified, that consistent with the most recent segment of this proceeding in which the entities participated and were granted a separate rate, there is an absence of *de jure* government control of their respective exports.<sup>11</sup> Each of the separate-rate applicants certified to its separate-rate

status. Additionally, Blue Field, Xingda, and the separate-rate applicants stated that their companies had no relationship with any level of the PRC government with respect to ownership, internal management, and business operations. In this segment, we have no new information on the record that would cause us to reconsider our previous determinations of the absence of *de jure* government control with regard to these companies. Thus, we find that evidence on the record supports a preliminary finding of an absence of *de jure* government control with regard to the export activities of Blue Field, XITIC, and the separate-rate applicants.

### 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 22586–87; *Notice of Final Determination of Sales at Less Than Fair Value: Certain Preserved Mushrooms from the People's Republic of China*, 63 FR 72255 (December 31, 1998). 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 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 over its export functions: (1) Whether the export prices are set by, or subject to the approval of, a government agency; (2) whether the respondent retains the proceeds from its export sales and makes independent decisions regarding the disposition of profits or financing of losses; (3) whether the respondent has the authority to negotiate and sign contracts and other agreements; (4) whether the respondent has autonomy from the government regarding the selection of management. See *Silicon Carbide*, 59 FR at 22587; *Sparklers*, 56 FR at 20589; *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).

The evidence provided by Blue Field, Xingda, and the separate-rate applicants supports a preliminary finding of absence of *de facto* government control based on the following facts: (1) The companies set their own export prices independent of the government and without the approval of a government

<sup>10</sup> See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From Ukraine*, 62 FR 61754, 61758 (November 19, 1997); *Tapered Roller Bearings and Parts Thereof, finished and Unfinished, From the People's Republic of China: Final Results of Antidumping Administrative Review*, 62 FR 61276, 61279 (November 17, 1997).

<sup>11</sup> The most recently completed segment of this proceeding in which Fujian Golden Banyan Foodstuffs Industrial Co., Ltd. participated and was granted separate rate status was *Certain Preserved Mushrooms from the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 73 FR 75083 (December 10, 2008). The most recently completed segment of this proceeding in which Ayecue participated and was granted separate rate status was *Certain Preserved Mushrooms from the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 73 FR 21904 (April 23, 2008). The most recently completed segment of this proceeding in which Blue Field participated and was granted separate rate status was *Certain Preserved Mushrooms from the People's Republic of China: Notice of Final Results of the Eighth New Shipper Review*, 70 FR 60789 (October 19, 2005). The most recently completed segment of this proceeding in which Shandong Juifa participated and was granted separate rate status was *Notice of Amended Final Results of Antidumping duty Administrative Review: Certain Preserved Mushrooms from the People's Republic of China*, 70 FR 60280 (October 17, 2005). The most recently completed segment of this proceeding in which Xingda participated and was granted separate rate status was *Certain Preserved Mushrooms from the People's Republic of China: Final Results of the Antidumping Duty New Shipper Review*, 73 FR 45402 (August 5, 2008).

*Duty Administrative Review*, 73 FR 76336 (December 16, 2008); and *Frontseating Service Valves from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 74 FR 10886 (March 12, 2009).

<sup>9</sup> 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).

authority; (2) there is no restriction on any of the companies' use of export revenue, nor the disposition of profits or financing of losses; (3) the companies have authority to negotiate and sign contracts and other agreements; (4) the companies have autonomy from the government in making decisions regarding the selection of management.<sup>12</sup>

Additionally, in this administrative review we have no new information on the record that would cause us to reconsider our previous determinations of the absence of *de facto* government control with regard to these companies. Therefore, the Department preliminarily finds that Blue Field, Xingda and the separate-rate applicants have established that they qualify for separate rates under the criteria established by *Silicon Carbide* and *Sparklers*.

### The PRC-Wide Entity

In addition to the separate-rate applications discussed above, there was one company, Golden Banyan, for which we initiated a review in this proceeding and which did not previously have a separate rate. Because this company did not file a separate rate application to demonstrate eligibility for a separate rate in this administrative review or certify that it had no shipments, we preliminarily determine that this company will remain part of the PRC-wide entity. See *Initiation Notice*, 75 FR at 15680.

### 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 FOPs, valued in a surrogate market economy country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more market economy 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>13</sup> From the countries that are both economically comparable and

significant producers, the Department will select a primary surrogate country based upon whether the data for valuing FOPs are both available and reliable.<sup>14</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 economic development.<sup>15</sup> Therefore, we consider all six countries on the *Surrogate Country List* as having satisfied the comparable economic development prong of the surrogate selection criteria.<sup>16</sup> Furthermore, in *Steel Wheels*,<sup>17</sup> the Department stated: {U}nless we find that all of the countries determined to be equally economically comparable are not significant producers of comparable merchandise, do not provide a reliable source of publicly available surrogate data or are unsuitable for use for other reasons, we will rely on data from one of these countries.

Because the Department finds that one of these countries from the *Surrogate Country List* meets the selection criteria, as explained below, the Department will not consider India as the primary surrogate country.

### Significant Producers of Identical or Comparable Merchandise

Based on publicly available information placed on the record by interested parties (e.g., production data), the Department determines that Colombia, Ukraine, and the Philippines to be significant producers of identical or comparable merchandise. Because Colombia has publicly available and reliable data for all but two of the factors of production, the Department has determined to use Colombia as the primary surrogate country. Colombia is at a comparable level of economic development pursuant to section 773(c)(4)(A) of the Act, and is a significant producer of the subject merchandise pursuant to section 773(c)(4)(B) of the Act. See Petitioner's January 6, 2012, submission at

<sup>14</sup> *Id.*

<sup>15</sup> See Memorandum from Carole Showers, Office of Policy to Richard Weible, Office Director, Office 7, AD/CVD Operations RE: Request for a List of Surrogate Countries for an Administrative Review of the Antidumping Duty Order on Certain Preserved Mushrooms (Mushrooms) from the People's Republic of China (China) dated October 12, 2011 ("Surrogate Country List").

<sup>16</sup> See section 773(c)(4)(A) of the Act.

<sup>17</sup> See *Certain Steel Wheels From the People's Republic of China: Notice of Preliminary Determination of Sales at Less Than Fair Value, Partial Affirmative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 76 FR 67703, 67708 (November 2, 2011) ("Steel Wheels").

Exhibit 1.<sup>18</sup> Accordingly because Colombia meets all of the criteria for selection as a surrogate country, the Department has selected Colombia as the primary source for valuing surrogate values. With the exception of mushroom spawn and land rent discussed *below*, the Department used Colombia as the source of surrogate values in this proceeding.

For mushroom spawn and land rent, the Department was unable to find surrogate value information from Colombia. For mushroom spawn, the Department used mushroom data derived from Ukraine because, among the six countries on the *Surrogate Country List*, Ukraine represented by HTS category the most specific and reliable source of data for the input among the six countries listed on the *Surrogate Country List*. For land rent, the Department used data derived from the Philippines, since these data were publicly available, specific to the production input in question, and Philippine land rent was the only available source of data among the six countries comprising our *Surrogate Country List*.

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.

### U.S. Price

In accordance with section 772(a) of the Act, we based Blue Field's and Xingda's U.S. prices on export prices ("EP") because their first sales to unaffiliated purchasers were made before the date of importation and the use of constructed export price ("CEP") was not otherwise warranted by the facts on the record. As appropriate, we deducted foreign inland freight and foreign brokerage and handling from the starting price (or gross unit price), in accordance with section 772(c)(2) of the Act. Where these services were provided by NME vendors, we based the deduction on surrogate values.

Both respondents used foreign inland freight via truck and train. As previously stated, where applicable, we made deductions for these expenses from the U.S. price. We valued truck and train freight using a per-unit, POR-wide, average rate calculated from the

<sup>18</sup> See Memorandum to the File through Robert James, Program Manager Office 7 from Michael J. Heaney International Trade Analyst: Antidumping Duty Administrative Review of Certain Preserved Mushrooms from the People's Republic of China, dated February 28, 2012 ("Factors Valuation Memorandum").

<sup>12</sup> See, e.g., Blue Field's June 21, 2011, Section A response at A-1 through A-8; Xingda's September 6, 2011, Section A response at A-1 through A-8, Ayecue April 18, 2011, separate rate certification at 3-5; Golden Banyan May 27, 2011, separate rate certification at 4-7, and Shandong Juifa separate rates certification at 4-7.

<sup>13</sup> See Import Administration Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process (March 1, 2004) ("Policy Bulletin"), available on the Department's Web site at <http://ia.ita.doc.gov/policy/index.html>.

World Bank's *Doing Business in Colombia* study. See *Surrogate Values Memorandum* at page 11. We valued foreign brokerage and handling using the publicly summarized brokerage and handling expense reported in the World Bank's *Doing Business in Colombia* study. See Petitioner's January 6 Submission, at Exhibit 42; *Surrogate Values Memorandum* at page 11.

Because the record indicates that the material terms of Blue Field's and Xingda's U.S. sales were established on the date of invoice, pursuant to 19 CFR 351.401(i), we determine that invoice date is the appropriate date to use as the date of sale for these two respondents. See Blue Field July 6, 2011, Section C response at C-8; Xingda September 19, 2011, Section C response at C-8.

## Normal Value

### 1. Methodology

Section 773(c)(1)(B) of the Act provides that the Department shall determine the NV using an FOP methodology if the merchandise under review 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 FOPs because the presence of government controls on various aspects of NMEs renders price comparisons and the calculation of production costs invalid under the Department's normal methodologies.<sup>19</sup> Under section 773(c)(3) of the Act, FOPs include, but are not limited to: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital costs, including depreciation. The Department based NV on FOPs reported by the respondents for materials, energy, labor, and packing.

Thus, in accordance with section 773(c) of the Act, we calculated NV by adding the values of the FOPs, overhead, selling, general and administrative ("SG&A") expenses, profit, and packing costs.

### 2. Selection of Surrogate Values

In selecting the "best available information for surrogate values,"

consistent with the Department's preference, we considered whether the potential surrogate value data on the record were: Publicly available; product-specific; representative of broad market average prices; contemporaneous with the POR; and free of taxes and import duties.<sup>20</sup> Where only surrogate values that were not contemporaneous with the POR were available on the record of this administrative review, we inflated the surrogate values using, where appropriate, the Colombian WPI as published in *International Financial Statistics* by the International Monetary Fund. See *Surrogate Values Memorandum* at Exhibit 2.

In accordance with these guidelines, we calculated surrogate values, except as noted below, from import statistics of the primary selected surrogate country, Colombia, from Global Trade Atlas ("GTA"), as published by Global Trade Information Services. Our use of GTA import data is in accordance with past practice and satisfies all of our criteria for surrogate values noted above.<sup>21</sup>

After identifying appropriate surrogate values, we calculated NV by multiplying the reported per-unit factor-consumption rates by the surrogate values. As appropriate, we also added freight costs to the surrogate values that we calculated for the respondents' material inputs to make these prices delivered prices. We calculated these freight costs by multiplying surrogate freight rates by the shorter of the reported distance from the domestic supplier to the factory that produced the subject merchandise or the distance from the nearest seaport to the factory that produced the subject merchandise, as appropriate. Where there were multiple domestic suppliers of a material input, we calculated a weighted-average distance after limiting each supplier's distance to no more than the distance from the nearest seaport to the factory of each of the two respondents. This adjustment is in accordance with the decision by the U.S. Court of Appeals for the Federal Circuit in *Sigma Corp. v. United States*,

117 F. 3d 1401, 1407–1408 (Fed. Cir. 1997). We increased the calculated costs of the FOPs for surrogate general expenses and profit. See *Surrogate Values Memorandum* at page 12.

Because Colombian surrogate values were denominated in Colombian Pesos, we converted these data to U.S. dollars ("USD") using the applicable average exchange rate based on exchange rate data from the Department's Web site.

For further details regarding the specific surrogate values used for direct materials, energy inputs, and packing materials in these preliminary results, see the *Surrogate Values Memorandum* at Exhibit 1.

To calculate the labor input, we based our calculation on the methodology which the Department enunciated on June 21, 2011, in *Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor*, 76 FR 36092 (June 21, 2011) ("*Labor Methodologies*"). Prior to 2010, the Department used regression-based wages that captured the worldwide relationship between per capita Gross National Income and hourly manufacturing wages, pursuant to 19 CFR 351.408(c)(3). On May 14, 2010, the Federal Circuit in *Dorbest Ltd. v. United States*, 604 F. 3d 1363, 1372–73 (Fed. Cir. 2010) ("*Dorbest*"), invalidated part of that regulation. As a consequence of the Federal Circuit's ruling in *Dorbest*, the Department no longer relies on the regression-based methodology described in 19 CFR 351.408(c)(3).

In *Labor Methodologies*, the Department explained that the best methodology to value the labor input is to use industry-specific labor rates from the primary surrogate country. See *Labor Methodologies*, 76 FR at 36093. 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's ("ILO") *Yearbook of Labor Statistics* ("*Yearbook*"). See *Labor Methodologies*, 76 FR at 36093–36094.

Consistent with this methodology, to calculate labor expense in this review, we used 2005 data from Colombia that falls under International Standard Industrial Classification ("ISIC") 15 "Manufacture of Food Products and Beverages" in Chapter 6A of the ILO's *Yearbook*. We used Colombian WPI data to inflate these values to POR amounts. This results in a calculated labor rate of 10,863 Colombia pesos per hour. Based on the reporting of financial ratios in this review, we find that the facts and information on the record do not warrant or permit an adjustment to the

<sup>20</sup> See, e.g., *Drill Pipe From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, and Postponement of Final Determination*, 75 FR 51004 (August 18, 2010), unchanged in *Drill Pipe From the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Critical Circumstances*, 76 FR 196 (January 11, 2011).

<sup>21</sup> See, e.g., *Certain Preserved Mushrooms From the People's Republic of China: Preliminary Results of Antidumping Duty New Shipper Review*, 74 FR 50946, 50950 (October 2, 2009), unchanged in *Certain Preserved Mushrooms From the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 74 FR 65520 (December 10, 2009).

<sup>19</sup> See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Notice of Intent to Rescind in Part*, 70 FR 39744 (July 11, 2005), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of 2003–2004 Administrative Review and Partial Rescission of Review*, 71 FR 2517 (January 17, 2006).

surrogate financial statements. *See Labor Methodologies*, 76 FR at 36094. Accordingly, we made no offset to the surrogate financial statements in this review. A more detailed description of the wage rate calculation methodology is provided in the Factors Valuation Memorandum at page 9–10.

We offset the respondents' material costs for revenue generated from the sale of tin scrap. *See Surrogate Values Memorandum* at page 12.

Finally, to value overhead, SG&A, and profit, we have preliminarily determined that the 2010 financial statements of the Setas Colombianas S.A. constitute the best information available. *See Surrogate Values Memorandum* at page 12.

### Preliminary Results of the Review

The Department has determined that the following preliminary dumping margins exist for the period February 1, 2010, through January 31, 2011. Respondents other than mandatory respondents will receive the weighted-average of the margins calculated for those companies selected for individual review (*i.e.*, mandatory respondents), excluding *de minimis* margins or margins based entirely on adverse facts available.

Exporter	Weighted-average margin (percent)
Blue Field .....	215.10
Xingda .....	222.78
Ayecue .....	215.41
Golden Banyan .....	215.41
Shandong Jiufa .....	215.41
PRC-wide rate* .....	198.63

\* Includes Zhangzhou Golden.

### Public Comment

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results. *See* 19 CFR 351.224(b). Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs. *See* 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1). Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. 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 concurrently provide a public version of those comments.

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. Any interested party may request a hearing within 30 days of publication of this notice. *See* 19 CFR 351.310(c). 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, U.S. Department of Commerce, and electronically file the request via the Department's Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). *Id.* An electronically filed document must be received successfully in its entirety by 5 p.m. Eastern Time (ET). 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 id.* Issues raised in the hearing will be limited to those raised in the briefs.

Unless the deadline is extended pursuant to section 751(a)(2)(B)(iv) of the Act, 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 after issuance of these preliminary results.

### Deadline for Submission of Publicly Available Surrogate Value Information

In accordance with 19 CFR 351.301(c)(3), the deadline for submission of publicly available information to value factors of production under 19 CFR 351.408(c) is 20 days after the date of publication of the preliminary determination. In accordance with 19 CFR 351.301(c)(1), if an interested party submits factual information less than ten days before, on, or after (if the Department has extended the deadline) the applicable deadline for submission of such factual information, an interested party has ten days to submit factual information to rebut, clarify, or correct the factual information no later than ten days after such factual information is served on the interested party. 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. *See, e.g., 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. Furthermore, the Department generally will not accept business proprietary information in either the surrogate value submissions or the rebuttals thereto, as the regulation regarding the submission of surrogate values allows only for the submission of publicly available information.

### Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. The Department intends to issue assessment instructions directly to CBP 15 days after the date of publication of the final results of this review. In accordance with 19 CFR 351.212(b)(1), we calculated exporter/importer (or customer)-specific assessment rates for the merchandise subject to this review. Where the respondent has reported reliable entered values, we calculated importer or customer-specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer or customer, and dividing this amount by the total entered value of the sales to each importer or customer. *See* 19 CFR 351.212(b)(1). Where an importer or customer-specific *ad valorem* rate is greater than *de minimis*, we will apply the assessment rate to the entered value of the importers'/customers' entries during the POR. *See* 19 CFR 351.212(b)(1).

Where we do not have entered values for all U.S. sales, we calculated a per-unit assessment rate by aggregating the antidumping duties due for all U.S. sales to each importer or customer and dividing this amount by the total quantity sold to that importer or customer. *See* 19 CFR 351.212(b)(1). To determine whether the duty assessment rates are *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer or customer-specific *ad valorem* ratios based on the estimated entered value. Where an importer or customer-specific *ad valorem* rate is zero or *de minimis*, we will instruct CBP to liquidate appropriate entries without regard to antidumping duties. *See* 19 CFR 351.106(c)(2).

For the companies that were not selected for individual review, we calculated an assessment rate based on the weighted-average of the cash deposit rates calculated for companies selected for individual review, where those rates were not *de minimis* or based on



adverse facts available, in accordance with Department practice.

### Cash Deposit Requirements

The following cash deposit requirements, when imposed, will be effective upon publication of the final results of this administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) For the exporters listed above, the cash-deposit rate will be that established in the final results of this review (except, if the rate is zero or *de minimis*, i.e., less than 0.5 percent, no cash deposit will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all 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 198.63 percent; and (4) for all non-PRC exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

### Notification to Importers

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

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: February 28, 2012.

**Ronald K. Lorentzen,**  
Acting Assistant Secretary for Import Administration.

[FR Doc. 2012-5413 Filed 3-5-12; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-533-810]

### Stainless Steel Bar From India: Preliminary Results and Partial Rescission of the 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 stainless steel bar (SSBar) from India. The period of review (POR) is February 1, 2010, through January 31, 2011. This review covers three exporters/producers, one of which is being individually reviewed as a mandatory respondent. We preliminarily determine that the mandatory respondent made sales of the subject merchandise at prices below normal value (NV). We have assigned the second respondent the margin calculated for the mandatory respondent. In addition, we have rescinded the review with respect to the remaining company. Interested parties are invited to comment on these preliminary results. If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on appropriate entries.

**DATES:** *Effective Date:* March 6, 2012.

**FOR FURTHER INFORMATION CONTACT:** Joseph Shuler or Yasmin Nair, 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) 482-1293 or (202) 482-3813, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

On February 21, 1995, the Department published in the **Federal Register** the antidumping duty order on SSBar from India. *See Antidumping Duty Orders: Stainless Steel Bar from Brazil, India and Japan*, 60 FR 9661 (February 21, 1995) (the *Order*). On February 1, 2011, the Department published its notice of opportunity to request an administrative review of the *Order* on SSBar from India. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 76 FR 5559, 5560 (February 1, 2011).

In February 2011, in accordance with 19 CFR 351.213(b)(2), the Department received self-requests to conduct administrative reviews of the *Order* from two producers/exporters of the subject merchandise: Venus Industries, Pvt. Ltd (Venus) and Chandan Steel Limited (Chandan). Additionally, pursuant to 19 CFR 351.213(b)(1), domestic interested parties Carpenter Technology Corp.; Electralloy Co., (a division of G.O. Carlson, Inc.); Outokumpu Stainless Bar, Inc.; Universal Stainless & Alloy Products, Inc.; and Valbruna Slater Stainless, Inc. (collectively, Petitioners), requested that the Department conduct an administrative review of the following producers/exporters: Venus, Ambica Steels Limited (Ambica), Atlas Stainless Corporation (Atlas), Bhansali Bright Bars Pvt. Ltd. (Bhansali), FACOR Steels Limited (Facor), Grand Foundry, Ltd. (Grand Foundry), India Steel Works, Ltd. (India Steel), Meltroll Engineering Pvt. Ltd. (Meltroll), Mukand Ltd. (Mukand), Sindia Steels Limited (Sindia), Snowdrop Trading Pvt. Ltd. (Snowdrop), and their respective affiliates.

On March 31, 2011, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act), the Department published a notice of initiation of an administrative review for all twelve companies. *See Initiation of Antidumping Duty Administrative Reviews, Requests for Revocation in Part, and Deferral of Administrative Review*, 76 FR 17825 (March 31, 2011) (*Initiation Notice*). We indicated that we would select mandatory respondents for review based upon CBP data in the event we limited the number of respondents selected for individual review in accordance with section 777A(c)(2) of the Act. *See Initiation Notice*.

In our respondent selection memo, we determined that it was not practicable to examine all twelve producers/exporters for which a review was requested and, therefore, we limited the number of respondents selected for individual review. *See Memorandum to Susan Kuhbach from Seth Isenberg, "Respondent Selection Antidumping Duty Administrative Review: Stainless Steel Bar from India"* (April 19, 2011). As a result, we selected the two largest producers/exporters of SSBar from India during the POR for individual review, pursuant to section 777A(c)(2)(B) of the Act. The mandatory respondents selected were Mukand and Venus. Chandan had requested individual review, but was not selected.

On April 26, 2011, Petitioners timely withdrew their request for