

Countervailing Duty Proceedings

Stainless Steel Bar from Italy (C-475-830) .....

Brandon Farlander (202) 482-0182

Suspended Investigations

No suspended investigations are scheduled for initiation in February 2007. ....

The Department's procedures for the conduct of Sunset Reviews are set forth in 19 CFR 351.218. Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3—Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin"). The Notice of Initiation of Five-year ("Sunset") Reviews provides further information regarding what is required of all parties to participate in Sunset Reviews.

Puruant to 19 CFR 351.103(c), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 15 days of the publication of the Notice of Initiation.

Please note that if the Department receives a Notice of Intent to Participate from a member of the domestic industry within 15 days of the date of initiation, the review will continue. Thereafter, any interested party wishing to participate in the Sunset Review must provide substantive comments in response to the notice of initiation no later than 30 days after the date of initiation.

This notice is not required by statute but is published as a service to the international trading community.

Dated: December 21, 2006.

Gary Taverman,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. E6-22491 Filed 12-29-06; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration (A-580-816)

Corrosion-Resistant Carbon Steel Flat Products from Korea: Extension of Time Limits for the Final Results of Antidumping Duty Administrative Review

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

FOR FURTHER INFORMATION CONTACT: Victoria Cho at (202) 482-5075, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On September 28, 2005, the U.S. Department of Commerce ("Department") published a notice of initiation of the administrative review of the antidumping duty order on corrosion-resistant carbon steel flat products from Korea, covering the period August 1, 2004 to July 31, 2005. See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 70 FR 56631 (September 28, 2005). On September 11, 2006, the Department published the preliminary results of this review. See Certain Corrosion-Resistant Carbon Steel Flat Products from the Republic of Korea: Notice of Preliminary Results of Antidumping Duty Administrative Review, 71 FR 53370 (September 11, 2006). The final results of this review are currently due no later than January 9, 2007.

Extension of Time Limit of Preliminary Results

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act"), requires the Department to issue final results within 120 days after the date on which the preliminary results are published. However, if it is not practicable to complete the review within that time period, section 751(a)(3)(A) of the Act allows the Department to extend the time limit for

the final results to a maximum of 180 days. See also 19 CFR 351.213(h)(2).

We determine that it is not practicable to complete the final results of this review within the original time limit because we need additional time to evaluate arguments and information submitted by the parties with respect to model-match methodology, indirect selling expenses, constructed export price offsets and duty drawback.

Therefore, the Department is extending fully the time limit for the final results of the above-referenced review. As that date falls on a Saturday, the final results will be due no later than the next business day, Monday, March 12, 2007.

This extension is in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).

Dated: December 22, 2006.

Gary Taverman,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. E6-22495 Filed 12-29-06; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-863]

Honey from the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review

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

SUMMARY: In response to requests from interested parties, the Department of Commerce (the Department) is conducting the fourth administrative review of the antidumping duty order on honey from the People's Republic of China (PRC). The period of review (POR) is December 1, 2004, through November 30, 2005. We preliminarily determine that four companies have failed to cooperate by not acting to the best of their ability to comply with our requests for information and, as a result, should be assigned a rate based on adverse facts available. We have also preliminarily determined that a fifth respondent made sales to the United

States of the subject merchandise at prices below normal value.

We invite interested parties to comment on these preliminary results. Parties that submit comments are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument(s).

**EFFECTIVE DATE:** January 3, 2007.

**FOR FURTHER INFORMATION CONTACT:** Judy Lao or Helen Kramer, 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) 482-7924 or (202) 482-0405, respectively.

**SUPPLEMENTARY INFORMATION:**

### Background

On December 1, 2005, the Department published an *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request an Administrative Review*, 70 FR 72109 (December 1, 2005). On December 29, 2005, Jinfu Trading Co., Ltd. (Jinfu) and Wuhan Shino-Food Trade Co., Ltd. (Shino-Food), requested, in accordance with section 351.213(b) of the Department's regulations, an administrative review of entries of subject merchandise made during the POR. Also on December 29, 2005, Tianjin Eulia Honey Co., Ltd. (Eulia), Cheng Du Wai Yuan Bee Products Co., Ltd. (Chengdu Waiyuan), and Kunshan Xin'an Trade Co., Ltd. (Kunshan Xin'an) requested that the Department conduct an administrative review of each respective company's entries during the POR.

On December 30, 2005, the American Honey Producers Association and the Sioux Honey Association (collectively, petitioners), requested, in accordance with 19 C.F.R. § 351.213(b), an administrative review of entries of subject merchandise made during the POR by 25 Chinese producers/exporters.<sup>1</sup>

<sup>1</sup> The request included: Inner Mongolia Autonomous Region Native Produce and Animal By-Products Import & Export Corp. (Inner Mongolia); Kunshan Foreign Trading Company (Kunshan); Zhejiang Native Produce and Animal By-Products Import & Export Corp. aka Zhejiang Native Produce and Animal By-Products Import & Export Group Corp.; High Hope International Group Jiangsu Foodstuffs Import & Export Corp. (High Hope); Shanghai Eswell Enterprise Co., Ltd.; Anhui Native Produce Import & Export Corp.; Henan Native Produce Import & Export Corp. (Henan); Inner Mongolia Autonomous Region Native Produce and Animal By-Products; Shanghai Xiuwei International Trading Co., Ltd. (Shanghai Xiuwei); Sichuan-Dujiangyan Dubao Bee Industrial Co., Ltd. (Dubao); Wuhan Bee Healthy Company, Ltd.; Jinfu Trading Co., Ltd.; Shanghai Shinomieli International Trade Corporation (Shanghai Shinomieli); Anhui

Also on December 30, 2005, Anhui Honghui Foodstuff (Group) Co., Ltd. (Anhui Honghui) and Jiangsu Kanghong Natural Healthfoods Co., Ltd. (Jiangsu), requested, in accordance with section 19 C.F.R. § 351.213(b), an administrative review of entries of subject merchandise made during the POR.

On February 1, 2006, the Department initiated an administrative review of 27 Chinese companies. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 71 FR 5241 (February 1, 2006). On February 2, 2006, Anhui Native Produce Import and Export Corporation submitted a no-shipments letter to the Department requesting that the administrative review as to the company be rescinded. On February 13, 2006, petitioners withdrew their review request for Wuhan Bee Healthy Co., Ltd. On February 23, 2006, petitioners filed a letter withdrawing their review request for Eurasia, Foodworld, Henan, High Hope, Inner Mongolia, Inner Mongolia Youth, Kunshan, Shanghai Shinomieli, Shanghai Xiuwei, Dubao, Wuhu Qinshi Tangye, and Zhejiang Willing Foreign Trading Co., Ltd. On February 27, 2006, Shanghai Eswell Enterprise Co., Ltd. (Eswell) submitted a no-shipments letter to the Department requesting rescission of its administrative review.

On February 28, 2006, the Department issued antidumping duty questionnaires to nine PRC producers/exporters of the subject merchandise covered by this administrative review. On March 6, 2006, the Department issued an antidumping duty questionnaire to Apiarist Co.

On March 7, 2006, Zhejiang Native Produce and Animal By-Products Import & Export Group Corp. (Zhejiang) and its affiliates, including Zhejiang Willing Foreign Trading Co., Ltd., submitted a no-shipments letter to the Department requesting rescission of its administrative review.<sup>2</sup> On March 9, 2006, both Chengdu Waiyuan and Kunshan Xin'an withdrew their requests for administrative review, stating that neither company intended to participate

Honghui Foodstuff (Group) Co., Ltd.; Cheng Du Wai Yuan Bee Products Co., Ltd.; Eurasia Bee's Products Co., Ltd. (Eurasia); Foodworld International Club, Ltd. (Foodworld); Inner Mongolia Youth Trade Development Co., Ltd. (Inner Mongolia Youth); Apiarist Co.; Kunshan Xin'an Trade Co., Ltd.; Shanghai Taiside Trading Co., Ltd.; Wuhan Shino-Food Trade Co., Ltd.; Wuhu Qinshi Tangye; Zhejiang Willing Foreign Trading Co., Ltd.; and Jiangsu Kanghong Natural Healthfoods Co., Ltd.

<sup>2</sup> On March 9, 2006, Zhejiang submitted a letter clarifying that it intended to include a request for rescission for both itself and its affiliates, including Zhejiang Willing Foreign Trading Co., Ltd., in its March 7, 2006, letter.

in the proceeding. On March 10, 2006, Anhui Honghui, Jiangsu and Shino-Food submitted their respective quantity and value responses to the Department's questionnaire. On March 13, 2006, Jinfu submitted a no-shipments letter to the Department requesting rescission of its administrative review.

On March 20, 2006, Shino-Food submitted its section A response, and the exhibits for its section A response on March 23, 2006. The exhibits were submitted one day past the deadline for submission. *See* the Department's March 22, 2006, Memorandum to the File.

On March 31, 2006, petitioners met with the Department to discuss issues in the present administrative review and to notify the Department that they had not been served with copies of Shino-Food's section A response. *See* the Department April 3, 2006, Memorandum to the File. On April 3, 2006, the Department submitted a Memorandum to the File in which it explained that only three respondents (Anhui Honghui, Jiangsu, and Shino-Food) are participating in this administrative review (*i.e.*, have not submitted no-shipment letters or letters indicating they did not intend to participate in the administrative review). *See* the Department's April 3, 2006, Memorandum to the File.

Accordingly, the Department explained that it would not engage in a respondent selection process. On April 4, 2006, both Anhui Honghui and Jiangsu submitted their responses to section A of the Department's questionnaire. On April 7, 2006, petitioners withdrew their review request for Anhui Native Produce Import & Export Corp., Apiarist Co., Eswell, Zhejiang, and Jinfu.

On April 17, 2006, the Department sent a memorandum to the Department's Office of Policy requesting a list of surrogate countries to be used in this proceeding, and received a memorandum containing the Office of Policy's potential surrogate countries on April 20, 2006.<sup>3</sup>

On April 19, 2006, the Department issued supplemental sections A, C, and D questionnaires to Shino-Food. On April 27, 2006, petitioners submitted comments on Shino-Food's, March 20, 2006, section A, and April 3, 2006, sections C, and D questionnaire responses. On May 1, 2006, Anhui Honghui and Jiangsu submitted their respective responses to sections C and D

<sup>3</sup> The Department notes that a separate memorandum from the Office of Policy was sent on April 24, 2006, to Office 7 Program Manager Abdelali Elouaradia to account for the different period of review for Eulia.

of the Department's supplemental questionnaires.

On May 4, 2006, Shino-Food submitted its response to the Department's April 19, 2006, supplemental questionnaire. On June 17, 2006, Shino-Food submitted its response to the Department's June 9, 2006, supplemental questionnaire. On June 26, 2006, Anhui Honghui submitted its response to the Department's June 8, 2006, supplemental questionnaire. On June 27, 2006, Jiangsu submitted a withdrawal letter to the Department in which it explained that it would no longer participate in the administrative review. On July 27, 2006, Anhui Honghui submitted comments on surrogate information with which to value the factors of production in this proceeding. On June 30 and July 30, 2006, Shino-Food submitted letters to the Department stating that due to the unavailability of its general manager, it would not be able to participate in verification during any of the times proposed by the Department. See "Use of Facts Otherwise Available and the PRC-Wide Rate" section below for a complete discussion of Shino-Food.

On August 10, 2006, petitioners submitted comments premised on the Department's verification of Anhui Honghui, which did not occur. On the same date, Anhui Honghui submitted its sales reconciliation. On August 16, 2006, the Department published an extension of the time limits to complete these preliminary results. See *Honey from the People's Republic of China: Notice of Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 71 FR 47170 (August 16, 2006).

On September 8, 2006, the Department issued a second supplemental questionnaire to Anhui Honghui, to which Anhui Honghui responded on September 29, 2006. On November 13, 2006, the Department again extended the time limits for the preliminary results. In the same publication the Department also aligned the POR of the current new shipper reviews with this administrative review. See *Honey from the People's Republic of China: Notice of Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review and New Shipper Reviews*, 71 FR 66165 (November 13, 2006). On November 30, 2006, the Department submitted a surrogate country selection memorandum to the file. See the Department's November 30, 2006, Memorandum to the File. On December 4, 2006, the Department put on the record of the present administrative

review certain factors of production contained on the record of the current new shipper reviews of honey from the PRC. See the Department's December 4, 2006, Memorandum to the File.

#### Scope of the Antidumping Duty Order

The products covered by this order are natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form.

The merchandise subject to this order is currently classifiable under subheadings 0409.00.00, 1702.90.90, and 2106.90.99 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise under order is dispositive.

#### Preliminary Partial Rescission of Administrative Review

As explained above, Anhui Native Produce Import & Export Corp., Eswell, Zhejiang, and Jinfu (collectively, "the four companies") all submitted no-shipment letters to the Department in which they requested rescission from this administrative review. To determine whether the four companies made shipments during the POR, the Department examined PRC honey shipment data maintained by U.S. Customs and Border Protection (CBP). Based on the information obtained from CBP, we found no entries of subject merchandise during the POR manufactured or exported by the four companies to the United States. Therefore, pursuant to 19 C.F.R. § 351.213(d)(3), the Department is preliminarily rescinding this review with respect to the four companies.

Additionally, as explained above, on February 23, 2006, pursuant to 19 C.F.R. § 351.213(d)(1), petitioners withdrew their review requests for the following 13 companies: Eurasia, Foodworld, Henan, High Hope, Inner Mongolia<sup>4</sup>, Inner Mongolia Youth, Kunshan, Shanghai Shinomieli, Shanghai Taiside Trading Co., Ltd., Shanghai Xiuwei, Dubao, Wuhun Qinshi Tangye, and

<sup>4</sup> The Department notes that while petitioners requested a review for Inner Mongolia Autonomous Region Native Produce and Animal By-Products Import & Export Corp., and Inner Mongolia Autonomous Region Native Produce and Animal By-Products separately, both names refer to the same company.

Zhejiang Willing Foreign Trading Co., Ltd. In addition, on April 7, 2006, also pursuant to 19 C.F.R. § 351.213(d)(1), petitioners withdrew their review request for Apiarist Co.

Because petitioners submitted their requests for withdrawal of review within the 90-day deadline mandated by 19 C.F.R. § 351.213(d)(1), and no other party requested a review for these companies, the Department is preliminarily rescinding this administrative review with respect to the 14 companies listed above.

#### Separate Rates

In proceedings involving non-market economy (NME) countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty 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 its export activities. In this review Anhui Honghui submitted information in support of its claim for a company-specific rate.

To establish whether a firm is sufficiently independent from government control of its export activities to be entitled to a separate rate, the Department analyzes each entity exporting the subject merchandise under a test arising from the *Notice of Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 at Comment 1 (May 6, 1991) (*Sparklers*), as amplified by *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585, 22586-7 (May 2, 1994) (*Silicon Carbide*). The Department assigns separate rates in NME cases only if respondents can demonstrate the absence of both *de jure* and *de facto* government control over export activities.

Anhui Honghui provided complete separate-rate information in its responses to our original and supplemental questionnaires. Accordingly, we performed a separate-rates analysis to determine whether this exporter is independent from government control.

For the reasons discussed below in the section titled "The Use of Facts Otherwise Available and PRC-wide Rate," we have preliminarily determined that Jiangsu, Shino-Food, Chengdu Waiyuan, and Kunshan Xin'an do not qualify for a separate rate and are instead part of the PRC-wide entity.

### Absence of *De Jure* Control

The Department considers the following *de jure* criteria in determining whether an individual company may be granted a separate rate: (1) an absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) other formal measures by the government decentralizing control of companies. See *Sparklers*, 56 FR at 20589. As discussed below, our analysis shows that the evidence on the record supports a preliminary finding of *de jure* absence of government control for Anhui Honghui based on each of these factors.

Anhui Honghui has placed on the record a number of documents to demonstrate absence of *de jure* control, including the "Company Law of the People's Republic of China" (December 29, 1993) (*Company Law*), the "Foreign Trade Law of the People's Republic of China" (May 12, 1994) (*Foreign Trade Law*), the revised Foreign Trade Law (April 6, 2004), and "Administrative Regulations of the People's Republic of China Governing the Registration of Legal Corporations" (June 3, 1988) (*Legal Corporations Regulations*). See Exhibit 3 of Anhui Honghui's April 4, 2006, submission (section A response). Anhui Honghui also submitted a copy of its business license in Exhibit 4 of its section A response. The Feidong County Industrial and Commercial Administration Bureau issued this license. Anhui Honghui explains that its business license defines the scope of the company's business activities and ensures the company has sufficient capital to continue its business operations. Anhui Honghui affirms that its business operations are limited to the scope of the license, although the license can be amended if the company wishes to expand the scope of its operations, and that the license may be revoked if the company has insufficient capital, or engages in activities outside the scope of its business. Further, Anhui Honghui states that the license must be renewed or reviewed annually, and to obtain a renewal, it must apply for a renewal and provide a copy of its most recent financial statements to the issuing authority.

We note that Anhui Honghui states that it is governed by the *Company Law*, which it claims governs the establishment of limited liability companies and provides that such a company shall operate independently and be responsible for its own profits and losses. Anhui Honghui has placed on the record the *Foreign Trade Law*

and stated that this law allows it full autonomy from the central authority in governing its business operations. We have reviewed Article 11 of Chapter II of the *Foreign Trade Law*, which states, "foreign trade dealers shall enjoy full autonomy in their business operation and be responsible for their own profits and losses in accordance with the law." As in prior cases, we have analyzed such PRC laws and found that they establish an absence of *de jure* control. See, e.g., *Pure Magnesium from the People's Republic of China: Final Results of New Shipper Review*, 63 FR 3085, 3086 (January 21, 1998) and *Preliminary Results of New Shipper Review: Certain Preserved Mushrooms From the People's Republic of China*, 66 FR 30695, 30696 (June 7, 2001), as affirmed in *Final Results of New Shipper Review: Certain Preserved Mushrooms From the People's Republic of China*, 66 FR 45006 (August 27, 2001). Therefore, we preliminarily determine that there is an absence of *de jure* control over the export activities of Anhui Honghui.

### Absence of *De Facto* Control

Typically, the Department considers four factors in evaluating whether a respondent is subject to *de facto* government control of its export functions: (1) whether the export prices are set by, or subject to, the approval of a government 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 its management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses. See *Silicon Carbide*, 59 FR at 22587. Therefore, the Department has determined that an analysis of *de facto* control is critical in determining whether respondents are, in fact, subject to a degree of government control, which would preclude the Department from assigning separate rates.

Anhui Honghui has asserted the following: (1) it is a privately owned company; (2) there is no government participation in its setting of export prices; (3) its general manager has the authority to bind sales contracts; (4) the company's executive director appoints the company's management and it does not have to notify government authorities of its management selection; (5) there are no restrictions on the use of its export revenue; and (6) its executive director decides how profits will be used. We have examined the

documentation provided and note that it does not suggest that pricing is coordinated among exporters of PRC honey.

Consequently, because evidence on the record indicates an absence of government control, both in law and in fact, over Anhui Honghui's export activities, we preliminarily determine that Anhui Honghui has met the criteria for the application of a separate rate.

### Use of Facts Otherwise Available and the PRC-Wide Rate

Anhui Honghui, Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin'an were given the opportunity to respond to the Department's questionnaires. As explained above, we received complete questionnaire responses only from Anhui Honghui and we have calculated a separate rate for this company. The PRC-wide rate applies to all entries of subject merchandise except for entries from PRC producers/exporters that have their own calculated rate.

Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin'an are appropriately considered to be part of the PRC-wide entity because they failed to establish their eligibility for a separate rate. Because the PRC-wide entity did not provide requested information necessary to the instant proceeding, it is necessary that we review the PRC-wide entity. In doing so, we note that section 776(a)(1) of the Tariff Act of 1930, as amended, (the Act), mandates that the Department use the facts available if necessary information is not available on the record of an antidumping proceeding. In addition, section 776(a)(2) of the Act provides that if an interested party or any other person: (A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i) of the Act, the Department shall, subject to section 782(d) of the Act, use the facts otherwise available in reaching the applicable determination under this title. Where the Department determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that the Department shall promptly inform the party submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that party with an

opportunity to remedy or explain the deficiency. Section 782(d) of the Act additionally states that if the party submits further information that is unsatisfactory or untimely, the administering authority may, subject to subsection (e), disregard all or part of the original and subsequent responses. Section 782(e) of the Act provides that the Department shall not decline to consider information that is submitted by an interested party and is necessary to the determination but does not meet all the applicable requirements established by the administering authority if: (1) the information is submitted by the deadline established for its submission; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability in providing the information and meeting the requirements established by the administering authority with respect to the information; and (5) the information can be used without undue difficulties.

The Department finds that the PRC-wide entity (including Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin'an) did not respond to our request for information and that necessary information either was not provided, or the information provided cannot be verified and is not sufficiently complete to enable the Department to use it for these preliminary results. Therefore, we find it necessary, under section 776(a)(2) of the Act, to use facts otherwise available as the basis for the preliminary results of this review for the PRC-wide entity.

As stated above in the "Background" section, on December 29, 2005, Chengdu Waiyuan and Kunshan Xin'an requested an administrative review. On December 30, 2005, petitioners requested a review with respect to these two companies. On March 9, 2006, both Chengdu Waiyuan and Kunshan Xin'an withdrew their requests for administrative review, stating that neither company intended to participate in this administrative review. In their February 23, 2006, and April 7, 2006, withdrawal of review request letters, petitioners did not withdraw their request for review with respect to either Chengdu Waiyuan or Kunshan Xin'an.<sup>5</sup> Chengdu Waiyuan and Kunshan Xin'an failed to respond to the Department's antidumping questionnaires. The Department has no

<sup>5</sup> In both their February 23, 2006, and April 7, 2006, withdrawal of review request letters, petitioners stated that they wanted the administrative review to continue with respect to both Chengdu Waiyuan and Kunshan Xin'an.

information on the record for Chengdu Waiyuan and Kunshan Xin'an with which to calculate a dumping margin or determine if either is eligible for a separate rate in this proceeding; therefore, we find that Chengdu Waiyuan and Kunshan Xin'an have significantly impeded the proceeding, pursuant to sections 776(a)(2)(A) and 776(a)(2)(B) of the Act. Because Chengdu Waiyuan and Kunshan Xin'an did not respond to the Department's questionnaires, sections 782(d) and (e) of the Act are not applicable.

As stated above in the "Background" section, Shino-Food and Jiangsu responded to the Department's initial antidumping questionnaire, with Shino-Food responding to two subsequent supplemental questionnaires. With regard to Shino-Food, as stated above in the "Background" section, Shino-Food submitted letters to the Department in which it stated that it would not participate in verification, thereby failing to accommodate the Department's repeated attempts to schedule verification. On June 23, 2006, the Department contacted Shino-Food, and proposed a five-day verification of Shino-Food at any time between July 10 and July 21, 2006. See the Department's June 29, 2006, Memorandum to the File. Shino-Food informed the Department that Shino-Food's general manager was experiencing health problems and would not be able to accommodate the Department's proposed verification dates. Shino-Food also informed the Department that its sales manager would be in Europe during the proposed verification dates and, thus, would not be able to assist the Department with verification. On June 27, 2006, the Department proposed verification of Shino-Food during August 14 - 18, 2006, after the return of Shino Food's sales manager from his trip. On June 28, 2006, Shino-Food stated it nevertheless would not be able to participate in verification during that week, because the general manager insisted that he must be present for verification and that no one else could participate in his absence. See the Department's June 29, 2006, Memorandum to the File.

On June 30, 2006, the Department issued a letter to Shino-Food reviewing the telephone conversations that took place between the Department and the company. In this letter, the Department described its attempts to schedule verification of Shino-Food and Shino-Food's rejections of our requests. We provided an additional opportunity for Shino-Food to accept the proposed verification dates of August 14 - 18, 2006, and warned the company that the

Department would rely on adverse information in conducting its dumping analysis if Shino-Food continued to refuse to allow verification. On June 30, 2006, Shino-Food submitted a letter reiterating that due to the unavailability of its general manager, it would not be able to participate in verification during the Department's proposed August dates.

On July 19, 2006, the Department transferred reconciliation information collected from the verification of Shino-Food during the antidumping duty new shipper review to the record of the present administrative review. See the Department's July 19, 2006, Memorandum to the File.

On July 20, 2006, Shino-Food submitted a letter to the Department stating that due to the unavailability of its management personnel, it would not be able to participate in verification during the production season of the current POR. On July 24, 2006, the Department submitted a memorandum to the file in which we clarified that the Department did not request verification during the production season of Shino-Food. The Department then made a third attempt to schedule verification with Shino-Food for September 18 - 22, 2006, which the company also refused. See the Department's July 24, 2006, Memorandum to the File.

Due to Shino-Food's refusal to schedule verification of its submitted information by the Department, as explained above, we preliminarily find that Shino-Food has failed to cooperate to the best of its ability and has significantly impeded the proceeding. Therefore, pursuant to sections 776(a)(2)(A), (B), and (C) of the Act, the Department preliminarily finds that the application of facts available is appropriate for these preliminary results.

With regard to Jiangsu, on June 27, 2006, the Department received a letter from Jiangsu stating that it was withdrawing its participation in this review. Due to Jiangsu's failure to participate in these proceedings and in verification, we preliminarily find that Jiangsu has significantly impeded the proceeding. Therefore, pursuant to sections 776(a)(2)(A), (B), and (C) of the Act, the Department preliminarily finds that the application of facts available is appropriate for these preliminary results.

#### Application of Adverse Inference

Section 776(b) of the Act provides that, in selecting from among the facts available, the Department may use an inference that is adverse to the interests of the respondent if it determines that

a party has failed to cooperate to the best of its ability. Adverse inferences are appropriate “to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.” See Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, H. Doc. No. 316, 103d Cong., 2d Session, Vol. 1 (1994) at 870. In determining whether a respondent has failed to cooperate to the best of its ability, the Department need not make a determination regarding the willfulness of a respondent’s conduct. See *Nippon Steel Corp. v. United States*, 337 F. 3d 1373, 1379–1384 (Fed. Cir. 2003). Furthermore, “. . . affirmative evidence of bad faith on the part of a respondent is not required before the Department may make an adverse inference.” *Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27340 (May 19, 1997).

In determining whether a party failed to cooperate to the best of its ability, the Department considers whether a party could comply with the request for information, and whether a party paid insufficient attention to its statutory duties. See *Pacific Giant Inc. v. United States*, 223 F. Supp 2d 1336, 1342–43 (CIT 2002). Furthermore, the Department also considers the accuracy and completeness of submitted information, and whether the respondent has hindered the calculation of accurate dumping margins. See *Certain Welded Carbon Steel Pipes and Tubes from Thailand: Final Results of Antidumping Duty Administrative Review*, 62 FR 53808, 53819–53820 (October 16, 1997).

Pursuant to section 776(b) of the Act, we find that the PRC-wide entity (including Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin’an) failed to cooperate by not acting to the best of its ability to comply with requests for information. As discussed above, the PRC-wide entity informed the Department that it would not participate in this review, or otherwise did not provide the requested information, despite repeated requests that it do so. This information was in the sole possession of the respondents, and could not be obtained otherwise. Thus, because the PRC-wide entity refused to participate fully in this proceeding, we find it appropriate to use an inference that is adverse to the interests of the PRC-wide entity in selecting from among the facts otherwise available. By doing so, we ensure that the companies that are part of the PRC-wide entity will not obtain a more favorable result by failing to

cooperate than had they cooperated fully in this review.

#### Selection of AFA Rate

In deciding which facts to use as AFA, section 776(b) of the Act and 19 C.F.R. § 351.308(c)(1) authorize the Department to rely on information derived from: (1) the petition; (2) a final determination in the investigation; (3) any previous review or determination; or (4) any information placed on the record. In reviews, it is the Department’s practice to select, as AFA, the highest rate determined for any respondent in any segment of the proceeding. See, e.g., *Freshwater Crawfish Tail Meat from the People’s Republic of China; Notice of Final Results of Antidumping Duty Administrative Review*, 68 FR 19504, 19508 (April 21, 2003).

The U.S. Court of International Trade and the U.S. Court of Appeals for the Federal Circuit have consistently upheld the Department’s practice in this regard. See *Rhone Poulenc, Inc. v. United States*, 899 F.2d 1185, 1190 (Fed. Circ. 1990) (*Rhone Poulenc*); *NSK Ltd. v. United States*, 346 F. Supp. 2d 1312, 1335 (CIT 2004) (upholding a 73.55 percent total AFA rate, the highest available dumping margin from a different respondent in a LTFV investigation); see also *Kompass Food Trading Int’l v. United States*, 24 CIT 678, 683–684 (2000) (upholding a 51.16 percent total AFA rate, the highest available dumping margin from a different, fully cooperative respondent); and *Shanghai Taoen International Trading Co., Ltd. v. United States*, 360 F. Supp. 2d 1339, 1347–1348 (CIT 2005) (upholding a 223.01 percent total AFA rate, the highest available dumping margin from a different respondent in a previous administrative review).

The Department’s practice when selecting an adverse rate from among the possible sources of information is to ensure that the margin is sufficiently adverse “as to effectuate the purpose of the facts available role to induce respondents to provide the Department with complete and accurate information in a timely manner.” *Static Random Access Memory Semiconductors from Taiwan; Final Determination of Sales at Less than Fair Value*, 63 FR 8909, 8932 (February 23, 1998). The Department’s practice also ensures “that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.” SAA at 870. See also *Final Determination of Sales at Less than Fair Value: Certain Frozen and Canned Warmwater Shrimp from Brazil*, 69 FR 76910, 76912 (December 23, 2004). In choosing the appropriate balance between providing respondents

with an incentive to respond accurately and imposing a rate that is reasonably related to the respondent’s prior commercial activity, selecting the highest prior margin “reflects a common sense inference that the highest prior margin is the most probative evidence of current margins, because, if it were not so, the importer, knowing of the rule, would have produced current information showing the margin to be less.” *Rhone Poulenc*, 899 F.2d at 1190.

Consistent with the statute, court precedent, and its practice, the Department has preliminarily assigned the rate of 212.39 percent, the highest rate determined in any segment of the proceeding to the PRC-wide entity (including Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin’an) as AFA. See *Honey from the People’s Republic of China: Final Results and Final Rescission, In Part, of Antidumping Duty Administrative Review*, 71 FR 34893 (June 16, 2006) (*AR3 Final Results*).

Section 776(c) of the Act provides that when the Department relies on the facts otherwise available and relies on “secondary information,” the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department’s disposal. The SAA states that “corroborate” means to determine that the information used has probative value. See SAA at 870. To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used. With respect to Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin’an, we are applying the highest rate from any previous segment of this administrative proceeding as adverse facts available, which is a rate calculated for Anhui Honghui in the AR3 Final Results. However, unlike other types of information, such as input costs or selling expenses, there are no independent sources for calculated dumping margins. The only source for calculated margins is administrative determinations. Thus, in an administrative review, if the Department chooses as total adverse facts available a calculated dumping margin from the current or a prior segment of the proceeding, it is not necessary to question the reliability of the margin for that time period. See, e.g., *Grain-Oriented Electrical Steel From Italy; Preliminary Results of Antidumping Duty Administrative Review*, 61 FR 36551, 36552 (July 11, 1996), affirmed without change in *Grain-Oriented Electrical Steel from Italy; Final Results of Antidumping Duty Administrative*

*Review*, 62 FR 2655, 2656 (January 17, 1997). With respect to the relevance aspect of corroboration, however, the Department will consider information reasonably at its disposal to determine whether a margin continues to have relevance.

Where circumstances indicate that the selected margin is not appropriate as adverse facts available, the Department will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico: Final Results of Antidumping Administrative Review*, 61 FR 6812, 6814 (February 22, 1996), the Department disregarded the highest margin in that case as adverse best information available (the predecessor to facts available) because the margin was based on another company's uncharacteristic business expense resulting in an unusually high margin. Similarly, the Department does not apply a margin that has been discredited. See *D & L Supply Co. v. United States*, 113 F.3d 1220, 1221 (Fed. Cir. 1997) (the Department will not use a margin that has been judicially invalidated). None of these unusual circumstances are present here. Accordingly, we determine that the highest rate from any previous segment of this administrative proceeding (*i.e.*, the calculated rate of 212.39 percent) is in accordance with the requirement of section 776(c) that secondary information be corroborated (*i.e.*, that it have probative value). The information used in calculating this margin was based on sales and production data of a respondent in a prior review, as well as on the most appropriate surrogate value information available to the Department, chosen from submissions by the parties in that review, as well as information gathered by the Department itself. Furthermore, the calculation of this margin was subject to comment from interested parties in the proceeding. See *AR3 Final Results*. Moreover, as there is no information on the record of this review that demonstrates that this rate is not appropriately used as adverse facts available for Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin'an, we determine that this rate has probative value.

#### Affiliation

Anhui Honghui claims that it is affiliated with Honghui Group (USA) Corp., (Honghui USA) within the meaning of section 771(33) of the Act. Section 771(33) of the Act states that affiliated persons include: (A) members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants; (B) any officer or director

of an organization and such organization; (C) partners; (D) employer and employee; (E) any person directly or indirectly owning, controlling, or holding with power to vote, five percent or more of the outstanding voting stock or shares of any organization and such organization; (F) two or more persons directly or indirectly controlling, controlled by, or under common control with, any person; (G) any person who controls any other person and such other person. For purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person. To find affiliation between companies, the Department must find that at least one of the criteria listed above is applicable to the respondents.

In the present case, Anhui Honghui reports in Exhibit 7 of its section A response that the same person controls and owns both Anhui Honghui and Honghui USA. Additionally, in the new shipper review of honey from the PRC, we found that Anhui Honghui was affiliated with Honghui USA and that the use of CEP sales was appropriate. See *Notice of Preliminary Results of Antidumping Duty New Shipper Reviews: Honey From the People's Republic of China*, 69 FR 69350, 69353 (November 29, 2004), affirmed without change in *Honey From the People's Republic of China: Notice of Final Results of Antidumping Duty New Shipper Reviews*, 70 FR 9271 (February 25, 2005) and *AR3 Final Results*. For purposes of this review, there is no information on the record that would cause the Department to reconsider its affiliation finding. Therefore, pursuant to sections 771(33)(E) and (F) of the Act, we preliminarily find that Anhui Honghui and Honghui USA are affiliated.

#### Normal Value Comparisons

To determine whether the respondent's sales of the subject merchandise to the United States were made at prices below normal value, we compared their U.S. prices to normal values, as described in the "U.S. Price" and "Normal Value" sections of this notice.

#### U.S. Price

Because we have preliminarily determined that Anhui Honghui and Honghui USA are affiliated within the meaning of section 771(33) of the Act, we have classified all Honghui U.S. sales as constructed export price (CEP) transactions.

#### Constructed Export Price

For Anhui Honghui we calculated CEP in accordance with section 772(b) of the Act, because certain sales were made on behalf of the PRC-based company by its U.S. affiliate to unaffiliated purchasers. We based CEP on packed, delivered or ex-warehouse prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for movement expenses in accordance with section 772(c)(2)(A) of the Act; these expenses included foreign inland freight, foreign brokerage and handling charges, international freight, marine insurance, U.S. brokerage and handling, U.S. warehouse fees, U.S. import (customs) duties, U.S. inland freight expenses from the port to warehouse and from the port to the customer, and added (where applicable) freight revenue.

In accordance with section 772(d)(1) of the Act, we also deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses, credit expenses, and indirect selling expenses (inventory carrying costs). We also made an adjustment for profit in accordance with section 772(d)(3) of the Act.

As explained above, because Anhui Honghui and Honghui USA are affiliated within the meaning of section 771(33) of the Act, we are continuing to analyze Honghui USA's sales to the first unaffiliated customer.

Where foreign inland freight, foreign brokerage and handling, or marine insurance, were provided by PRC service providers or paid for in renminbi, we valued these services using Indian surrogate values (*see* "Factors of Production" section below for further discussion). For those expenses that were provided by a market-economy provider and paid for in market-economy currency, we used the reported expense.

#### Normal Value

##### 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 an NME country shall remain in effect until revoked by the administering authority. See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Preliminary Results 2001-2002 Administrative Review and Partial Rescission of Review*, 68 FR 7500 (February 14, 2003),

unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of 2001–2002 Administrative Review and Partial Rescission of Review*, 68 FR 70488 (December 18, 2003). None of the parties to these reviews have contested such treatment. Accordingly, we calculated normal value (NV) in accordance with section 773(c) of the Act, which applies to NME countries.

#### Surrogate Country

Section 773(c)(4) of the Act requires the Department to value an 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, as identified in the "Memorandum from the Office of Policy to Abdelali Elouaradia, Program Manager, Office 7" dated April 20, 2006. In addition, based on publicly available information placed on the record (e.g., world production data), India is a significant producer of honey. Accordingly, we considered India the surrogate country for purposes of valuing the factors of production because it meets the Department's criteria for surrogate-country selection. See "Memorandum to the File: Selection of a Surrogate Country," dated November 30, 2006.

#### Factors of Production

In accordance with section 773(c) of the Act, we calculated NV 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 factors of production reported by the producer or exporter for materials, energy, labor, and packing, except as indicated. To calculate NV, we multiplied the reported unit factor quantities by publicly available Indian values.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data, in accordance with our practice. See, e.g., *Fresh Garlic from the People's Republic of China: Final Results of Antidumping Duty New Shipper Review*, 67 FR 72139 (December 4, 2002), and accompanying Issues and Decision Memorandum at Comment 6; and *Certain Preserved Mushrooms from China Final Results of First New Shipper Review and First*

*Antidumping Duty Administrative Review: Certain Preserved Mushrooms From the People's Republic of China*, 66 FR 31204 (June 11, 2001), and accompanying Issues and Decision Memorandum at Comment 5. When we used publicly available import data from the Ministry of Commerce of India (Indian Import Statistics) for December 2004 through November 2005 to value inputs sourced domestically by PRC suppliers, we added to the Indian surrogate values a surrogate freight cost calculated using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest port of export to the factory. See, *Sigma Corp. v. United States*, 117 F. 3d 1401, 1408 (Fed. Cir. 1997). When we used non-import surrogate values for factors sourced domestically by PRC suppliers, we based freight for inputs on the actual distance from the input supplier to the site at which the input was used.

In instances where we relied on Indian import data to value inputs, in accordance with the Department's practice, we excluded imports from both NME countries and countries deemed to maintain broadly available, non-industry-specific subsidies which may benefit all exporters to all export markets (i.e., Indonesia, South Korea, and Thailand) from our surrogate value calculations. See, e.g., *Final Determination of Sales at Less Than Fair Value: Certain Automotive Replacement Glass Windshields from the People's Republic of China*, 67 FR 6482 (February 12, 2002) and accompanying Issues and Decision Memorandum at Comment 1; see also, *Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 68 FR 66800, 66808 (November 28, 2003), unchanged in the Department's final results at *Notice of Final Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 69 FR 20594 (April 16, 2004). For a complete discussion of the import data that we excluded from our calculation of surrogate values, see "Memorandum to the File: Factors of Production Valuation Memorandum for the Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review of Honey from

the People's Republic of China," dated December 21, 2006 (Factor Valuation Memo). This memorandum is on file in the Central Records Unit of the Department, located in room B099.

Where we could not obtain publicly available information contemporaneous with the POR to value factors, we adjusted the surrogate values using the Indian Wholesale Price Index (WPI) as published in the *International Financial Statistics* of the International Monetary Fund, for those surrogate values in Indian rupees. We made currency conversions, where necessary, pursuant to 19 C.F.R. § 351.415, to U.S. dollars using the daily exchange rate corresponding to the reported date of each sale. We relied on the daily exchanges rates posted on the Import Administration website (<http://ia.ita.doc.gov>). See Factor Valuation Memo.

We valued the factors of production as follows:

To value raw honey, we took a weighted average of the raw honey prices for each month from December 2002 through June 2003, based on the percentage of each type of honey produced and sold, as derived from EDA Rural Systems Pvt Ltd. website, <http://www.litchihoney.com> (EDA data), and as placed by the Department on the record of this administrative review on December 4, 2006. We inflated the value for raw honey using the POR average WPI rate.

The respondents in this review submitted news articles to be used as potential sources for the surrogate value data for raw honey, including an article entitled "Monograph on Traditional Sciences and Technologies of India Honey Industry" from the website <http://www.mandafamily.com/indhonindresources.htm> dated December 2, 2005, an article entitled "Honey Prices Nosedive As Supply Exceeds Demand" from <http://www.financialexpress.com> dated July 11, 2006, and an article entitled "Honey, the Sure Way To Make Money" from the website <http://www.thehindu.com>, dated September 11, 2005.

In addition, the Department conducted extensive research on potential raw honey surrogate values for this administrative review. The Department found the sources submitted by respondents and its own research not to be as reliable as EDA data because of the lack of information detailing how the conclusions stated in the sources were determined, researched, and collected. The EDA data are supported with information detailing how its figures are determined, researched, and collected. Additionally,



the EDA data provide multiple price points over the course of an extended period of time, whereas alternative data report very few or just a single weighted average price for a year or succession of years. Moreover, the use of EDA data is also consistent with the Department's recent decision in the third administrative review of this order. See *AR3 Final Results*, and accompanying Issues and Decision Memorandum at Comment 1. Therefore, because we find EDA data to be the best available data on the record, we have not used any of these alternate sources proposed by respondents in the preliminary results. For a complete discussion of the Department's analysis of honey, see pages 3–5 of the Factor Valuation Memo.

To value coal, the Department derived the weighted-average of the import volume and value from the Indian Import Statistics, the Harmonized Commodity Description and Coding System (HS) for HS 27011920 and as placed by the Department on the record of this administrative review on December 4, 2006. In calculating the surrogate values, the Department eliminated the data of the countries, identified as being non-market economy countries (*i.e.*, the PRC, and Vietnam), and those deemed to maintain broadly available, non-industry specific subsidies that may benefit all exporters to all export markets (*i.e.* Indonesia, South Korea, and Thailand), as identified above in the "Valuation of Factors" section of Factor Valuation Memo, from the dataset. See Factor Valuation Memo at pages 2 and 7.

To value water, we calculated the average price of water rates within and outside of industrial zones from various regions as reported by the Maharashtra Industrial Development Corporation, <http://midcindia.org>, dated June 1, 2003, and as placed by the Department on the record of this administrative review on December 4, 2006. We inflated the value for water using the POR average WPI rate. See Factor Valuation Memo.

We valued electricity using the 2000 electricity price in India reported by the International Energy Agency statistics for *Energy Prices & Taxes, Third Quarter 2003*, as submitted by Anhui Honghui in its July 27, 2006 surrogate values submission. We inflated the value for electricity using the POR average WPI rate. See Factor Valuation Memo.

While Anhui Honghui also identified diesel fuel as an input consumed in the production of the subject merchandise, the Department considers this material as overhead rather than direct material

inputs. The Department therefore has excluded diesel fuel from the normal value calculation.

To value paint, we used Indian Import Statistics, contemporaneous with the POR. In calculating the surrogate values, the Department eliminated the data of the countries, identified as being non-market economy countries (*i.e.*, the PRC, and Vietnam), and those deemed to maintain broadly available, non-industry specific subsidies that may benefit all exporters to all export markets (*i.e.*, Indonesia, South Korea, and Thailand), as identified above in the "Valuation of Factors" section of Factor Valuation Memo, from the dataset. See Factor Valuation Memo at pages 2 and 7. The Department calculated a POR contemporaneous paint surrogate value by deriving the weighted-average of the import volume and value from the Indian Import Statistics, as identified by the designated Indian Trade Classification, based on HS 3208 and HS 3209. After deriving the weight average of each HS category of paint, the Department calculated the simple average of the two categories. See Factor Valuation Memo at pages 2 and 5.

To value drums, we relied upon a price quote from an Indian steel drum manufacturer from September 2000, which was used in the *AR3 Final Results*, and as placed by the Department on the record of this administrative review on December 4, 2006. We inflated the value for drums using the POR average WPI rate. See Factor Valuation Memo.

To value factory overhead, selling, general, and administrative expenses, and profit, we relied upon publicly available information in the 2004–2005 annual report of Mahabaleshwar Honey Production Cooperative Society Ltd. (MHPC), a producer of the subject merchandise in India, and placed by the Department on the record of this administrative review on December 4, 2006. Anhui Honghui maintains in its July 27, 2006, surrogate values submission that Department should rely on information available in an alternate Indian producer's financial statements, that of Apis India Natural Products Ltd. (Apis), 2003–2004. However, we preliminarily find that MHPC data are more appropriate than Apis data because the Apis data are not as reliable or detailed as that of MHPC. In addition, MHPC materials include a complete annual report, auditor's report, and complete profit and loss business statements that segregate MHPC's honey and fruit canning businesses. We note that MHPC is a honey processing business and its financial statements include details on the costs and

revenues related to its honey processing business. Therefore, for these preliminary results we are calculating SG&A based on the MHPC data as consistent with the *AR3 Final Results*. For a further discussion of this issue, see Factor Valuation Memo.

Because of the variability of wage rates in countries with similar levels of per capita gross domestic product, 19 C.F.R. § 351.408(c)(3) requires the use of a regression-based wage rate. Therefore, to value the labor input, we used the PRC's regression-based wage rate published by Import Administration on its website, <http://www.ia.ita.doc.gov>. See Factor Valuation Memo.

To value truck freight, we calculated a weighted-average freight cost based on publicly available data from [www.infreight.com](http://www.infreight.com), an Indian inland freight logistics resource website, and submitted by Anhui Honghui in its July 27, 2006, surrogate value submission. The Department valued international freight, where necessary, based on publicly available price quotes from a Danish international shipping and logistics provider, Maersk Line (formerly Maersk Sealand), a division of the A.P. Moller - Maersk Group, at <http://www.maerskline.com>. See Factor Valuation Memo.

We valued marine insurance, where necessary, based on publicly available price quotes from a marine insurance provider at <http://www.rigconsultants.com/insurance.html>, and as placed by the Department on the record of this administrative review on December 4, 2006. We valued international freight expenses, where necessary, using contemporaneous freight quotes that the Department obtained from Maersk Line, also as placed by the Department on the record of this administrative review on December 4, 2006. See Factor Valuation Memo.

To value brokerage and handling, we used a simple average of the publicly summarized versions of the average value for brokerage and handling expenses reported in the U.S. sales listings in Essar Steel Ltd.'s (Essar Steel) February 28, 2005, submission in the third antidumping duty review of *Certain Hot-Rolled Carbon Steel Flat Products from India*, Section C Response, (February 28, 2005), and the March 9, 2004, submission from Pidilite Industries Ltd. (Pidilite) in the antidumping duty investigation of *Carbazole Violet Pigment 23 from India*, Section C Response, (March 9, 2004), which have been placed on the record of this review. See Factor Valuation Memo at Exhibit 20. Since both the reported rate in Essar Steel and the

Pidilite rate are not contemporaneous, we adjusted these rates for inflation using the POR wholesale WPI for India to be current with the POR of this administrative review. See Factor Valuation Memo.

In accordance with 19 C.F.R. § 351.301(c)(3)(ii), for the final results of this administrative review, interested parties may submit publicly available information to value the factors of production until 20 days following the date of publication of these preliminary results.

### Preliminary Results of Review

We preliminarily determine that the following antidumping duty margins exist:

Exporter	Margin (percent)
Anhui Honghui Foodstuffs (Group) Co., Ltd. (Anhui Honghui) .....	248.96%
PRC-Wide Rate (including Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin'an) .....	212.39%

For details on the calculation of the antidumping duty weighted-average margin, see the analysis memorandum for Anhui Honghui for the preliminary results of the fourth administrative review of the antidumping duty order on honey from the PRC, dated December 21, 2006. Public Versions of this memorandum are on file in the CRU.

### Assessment Rates

Pursuant to 19 CFR 351.212(b), the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of this review. For assessment purposes, where possible, we calculated importer-specific assessment rates for honey from the PRC on a per-unit basis. Specifically, we divided the total dumping margins (calculated as the difference between normal value and export price or constructed export price) for each importer by the total quantity of subject merchandise sold to that importer during the POR to calculate a per-unit assessment amount. If these preliminary results are adopted in our final results of review, we will direct CBP to levy importer-specific assessment rates based on the resulting per-unit (*i.e.*, per-kilogram) rates by the weight in kilograms of each entry of the subject merchandise during the POR.

### Cash Deposits

The following cash-deposit requirements will be effective upon publication of the final results for shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results, as provided by section 751(a)(2)(C) of the Act: (1) For subject merchandise exported by Anhui Honghui we will establish a per-unit cash deposit rate which will be equivalent to the company-specific cash deposit established in this review; (2) the cash deposit rate for PRC exporters who received a separate rate in a prior segment of the proceeding will continue to be the rate assigned in that segment of the proceeding; (3) for all other PRC exporters of subject merchandise which have not been found to be entitled to a separate rate (including Shino-Food, Jiangsu, Chengdu Waiyuan, and Kunshan Xin'an), the cash-deposit rate will be the PRC-wide rate of 212.39 percent; (4) for all non-PRC exporters of subject merchandise, the cash-deposit rate will be the rate applicable to the PRC supplier of that exporter.

These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

### Schedule for Final Results of Review

The Department will disclose calculations performed in connection with the preliminary results of this review within five days of the date of publication of this notice in accordance with 19 C.F.R. § 351.224(b). Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 C.F.R. § 351.310(c). Any hearing would normally be held 37 days after the publication of this notice, or the first workday thereafter, at the U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230. Individuals who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230. Requests for a public hearing should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) to the extent practicable, an identification of the arguments to be raised at the hearing.

Unless otherwise notified by the Department, interested parties may

submit case briefs within 30 days of the date of publication of this notice in accordance with 19 C.F.R.

§ 351.309(c)(ii). As part of the case brief, parties are encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Rebuttal briefs, which must be limited to issues raised in the case briefs, must be filed within five days after the case brief is filed. If a hearing is held, an interested party may make an affirmative presentation only on arguments included in that party's case brief and may make a rebuttal presentation only on arguments included in that party's rebuttal brief. Parties should confirm by telephone the time, date, and place of the hearing within 48 hours before the scheduled time. The Department will issue the final results of this review, which will include the results of its analysis of issues raised in the briefs, not later than 120 days after the date of publication of this notice.

### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 C.F.R. § 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during these review periods. 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 notice is published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: December 20, 2006.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E6-22496 Filed 12-29-06; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

A-570-863

### Honey from the People's Republic of China: Intent to Rescind, In Part, and Preliminary Results of Antidumping Duty New Shipper Reviews

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

**SUMMARY:** The U.S. Department of Commerce ("the Department") is conducting new shipper reviews of the antidumping duty order on honey from