

2006 ("Decision Memo"), which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the antidumping duty order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Department building. In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memo are identical in content.

Preliminary Results of Review

The Department preliminarily determines that revocation of the antidumping duty order on OCTG from Mexico is likely to lead to continuation or recurrence of dumping at the following weighted-average margins:

Manufacturers/Producers/Exporters	Weighted-Average Margin (Percent)
TAMSA	21.70
Hylsa	0.62
All Others	21.70

Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Interested parties may submit case briefs no later than 50 days after the date of publication of this notice, in accordance with 19 CFR 351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed no later than five days after the case briefs, in accordance with 19 CFR 351.309(d)(1). Any hearing, if requested, will be held two days after rebuttal briefs are due, in accordance with 19 CFR 351.310(d)(1). The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such briefs, no later than April 27, 2007.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: December 18, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

(A-570-905)

Preliminary Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China

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

EFFECTIVE DATE: December 26, 2006.

SUMMARY: We preliminarily determine that certain polyester staple fiber ("PSF") from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 733 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice.

FOR FURTHER INFORMATION CONTACT: Michael Holton or Paul Walker, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482-1324 or 482-0413, respectively.

SUPPLEMENTARY INFORMATION:

Initiation

On June 23, 2006, the Department of Commerce ("Department") received a petition on imports of PSF from the PRC filed in proper form by Dak Americas LLC., Nan Ya Plastics Corporation America, and Wellman, Inc. ("Petitioners") on behalf of the domestic industry and workers producing PSF. This investigation was initiated on July 13, 2006. See *Initiation of Antidumping Duty Investigation: Certain Polyester Staple Fiber from the People's Republic of China*, 71 FR 41201 (July 20, 2006) ("Initiation Notice"). Additionally, in the *Initiation Notice*, the Department notified parties of the application process by which exporters and producers may obtain separate-rate status in non-market economy ("NME") investigations. The new process requires exporters and producers to submit a separate-rate status application. See *Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries*, (April 5, 2005), ("Policy Bulletin 05.1") available at <http://ia.ita.doc.gov>. However, the

standard for eligibility for a separate rate (which is whether a firm can demonstrate an absence of both *de jure* and *de facto* governmental control over its export activities) has not changed.

On August 7, 2006, the United States International Trade Commission ("ITC") issued its affirmative preliminary determination that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from the PRC of PSF. The ITC's determination was published in the *Federal Register* on August 11, 2006. See Investigation No. 731-TA-1104 (Preliminary), *Certain Polyester Staple Fiber from China*, 71 FR 46241 (August 11, 2006).

Scope Comments

The Department also set aside a 20-day period from the publication of the initiation for all interested parties to raise issues regarding product coverage. The Department did not receive any comments from interested parties regarding product coverage during the 20-day period and subsequently, did not change the scope in the *Initiation Notice*.

Quantity and Value

On July 19, 2006, the Department requested quantity and value ("Q&V") information from a total of 106 companies that Petitioners identified as potential producers or exporters of PSF from the PRC. Also, on July 19, 2006, the Department sent a letter requesting Q&V information to the China Bureau of Fair Trade for Imports & Exports ("BOFT") of the Ministry of Commerce ("MOFCOM") requesting that BOFT transmit the letter to all companies who manufacture and export subject merchandise to the United States, or produce the subject merchandise for the companies who were engaged in exporting the subject merchandise to the United States during the POI. For a complete list of all parties from which the Department requested Q&V information, see *Memorandum to James C. Doyle, Director, AD/CVD Operations, Office 9, from Michael Holton, Sr. International Trade Compliance Analyst, AD/CVD Operations, Office 9: Selection of Respondents for the Antidumping Investigation of Polyester Staple Fiber from the People's Republic of China*, dated September 18, 2006, ("Respondent Selection Memorandum"). Between August 8, 2006, and August 21, 2006, the Department received Q&V responses from 19 interested parties. The Department did not receive any type of communication from BOFT regarding its

request for Q&V information. *See Respondent Selection Memorandum at 1.*

On September 18, 2006, the Department selected Cixi Jiangnan Chemical Fiber Co., Ltd. (“Cixi Jiangnan”), Far Eastern Industries (Shanghai) Ltd. (“Far Eastern”) and Ningbo Dafa Chemical Fiber Co., Ltd. (“Ningbo Dafa”) as mandatory respondents in this investigation. *See Respondent Selection Memorandum at 4.*

Surrogate Country

On September 28, 2006, the Department determined that India, Indonesia, Sri Lanka, the Philippines, and Egypt are countries comparable to the PRC in terms of economic development. *See Memorandum from Ron Lorentzen, Director, Office of Policy, to Alex Villanueva, Program Manager, China/NME Group, Office 9: Antidumping Investigation of Certain Polyester Staple Fiber from the People's Republic of China (PRC): Request for a List of Surrogate Countries*, dated September 28, 2006.

On October 5, 2006, the Department requested comments on the surrogate country selection from the interested parties in these reviews. Petitioners submitted surrogate country comments on October 27, 2006. Far Eastern submitted surrogate country comments on November 9, 2006. On November 20, 2006, Petitioners submitted rebuttal surrogate country comments. No other interested parties commented on the selection of a surrogate country. For a detailed discussion of the selection of the surrogate country, *see* “Surrogate Country” section below, and the *Memorandum to the File through James C. Doyle, Director, AD/CVD Operations, Office 9, from Alex Villanueva, Program Manager, AD/CVD Operations, Office 9: Antidumping Duty Investigation of Polyester Staple Fiber from the People's Republic of China: Selection of a Surrogate Country*, dated December 15, 2006 (“*Surrogate Country Memorandum*”).

Separate Rates Applications

Between August 16, 2006, and August 21, 2006, we received separate-rate applications from seventeen companies, including the mandatory respondents: Cixi Jiangnan, Far Eastern and Ningbo Dafa. On September 13, 2006, and September 14, 2006, we received applications from Hangzhou Taifu Textile Fiber Co., Ltd. (“Hangzhou Taifu”) and Zhejiang Anshun Pettechs Fibre Co., Ltd., respectively.

Questionnaires

On September 6, 2006, the Department requested comments from all interested parties on proposed product characteristics and model match criteria to be used in the designation of control numbers (“CONNUMs”) to be assigned to the subject merchandise. The Department received comments from Cixi Jiangnan, Far Eastern, Springs Global US, Inc. (“Springs Global”) and Petitioners. The Department also received rebuttal comments from Ningbo Dafa. On September 20, 2006, the Department issued its sections A, C, D, and E, questionnaire with product characteristics and model match criteria used in the designation of CONNUMs and assigned to the merchandise under consideration. On November 27, 2006, the Department requested supplemental information from Hangzhou Taifu. The Department issued supplemental questionnaires to Cixi Jiangnan, Far Eastern, and Ningbo Dafa between October and November 2006, and received responses between October and December 2006. On December 7 and 8, 2006, Petitioners submitted Comments on Cixi Jiangnan's, Far Eastern's and Ningbo Dafa's December 4, 2006, supplemental questionnaires responses. On December 11, 2006, Cixi Jiangnan, Far Eastern and Ningbo Dafa responded to Petitioners' comments. The Department was unable to fully consider Petitioners' December 7 and 8, 2006, comments and respondents' December 11, 2006, comments because they were filed less than 10 days before the preliminary determination.

Surrogate Value Comments

On November 9, 2006, Petitioners, Far Eastern, Cixi Jiangnan and Ningbo Dafa submitted comments on surrogate information with which to value the factors of production in this proceeding. On November 20, 2006, Petitioners filed rebuttal comments on surrogate information with which to value the factors of production in this proceeding. On December 4, 2006, Ningbo Dafa submitted additional surrogate value comments.

Critical Circumstances

On September 29, 2006, Petitioners alleged that there is a reasonable basis to believe or suspect critical circumstances exist with respect to the antidumping investigation of PSF from the PRC. On October 5, 2006, the Department issued questionnaires requesting data for monthly exports to the United States from January 2003 through September 2006 from Cixi

Jiangnan, Far Eastern and Ningbo Dafa, and received responses on October. For a detailed discussion, please see the “Critical Circumstances” section below.

Postponement of Preliminary Determination

On November 16, 2006, the Department informed Petitioners, Cixi Jiangnan, Far Eastern, and Ningbo Dafa of our intent to postpone the preliminary determination pursuant to section 733(c)(1)(B)(i) of the Act by fifteen days to December 15, 2006. On December 5, 2006, the Department published a postponement of the preliminary antidumping duty determination on PSF from the PRC. *See Notice of Postponement of Preliminary Determination of Antidumping Duty Investigation: Certain Polyester Staple Fiber from the People's Republic of China*, 71 FR 70508 (December 5, 2006).

Period of Investigation

The period of investigation (“POI”) is October 1, 2006, through March 31, 2006. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (June 23, 2006). *See* 19 CFR 351.204(b)(1).

Scope of Investigation

The merchandise subject to this proceeding is synthetic staple fibers, not carded, combed or otherwise processed for spinning, of polyesters measuring 3.3 decitex (3 denier, inclusive) or more in diameter. This merchandise is cut to lengths varying from one inch (25 mm) to five inches (127 mm). The subject merchandise may be coated, usually with a silicon or other finish, or not coated. PSF is generally used as stuffing in sleeping bags, mattresses, ski jackets, comforters, cushions, pillows, and furniture.

The following products are excluded from the scope: (1) PSF of less than 3.3 decitex (less than 3 denier) currently classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) at subheading 5503.20.0025 and known to the industry as PSF for spinning and generally used in woven and knit applications to produce textile and apparel products; (2) PSF of 10 to 18 denier that are cut to lengths of 6 to 8 inches and that are generally used in the manufacture of carpeting; and (3) low-melt PSF defined as a bi-component fiber with an outer, non-polyester sheath that melts at a significantly lower temperature than its inner polyester core (classified at HTSUS 5503.20.0015).

Certain PSF is classifiable under the HTSUS subheadings 5503.20.0045 and

5503.20.0065. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under the orders is dispositive.

Non-Market-Economy Country

For purposes of initiation, Petitioners submitted LTFV analyses for the PRC as a non-market economy. See *Initiation Notice*, 71 FR at 41203. The Department considers the PRC to be a NME country. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, ("TRBs") 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 *Final Results of 2001-2002 Administrative Review: TRBs from the People's Republic of China*, 68 FR 70488 (December 18, 2003). No party has challenged the designation of the PRC as an NME country in this investigation. Therefore, we have treated the PRC as an NME country for purposes of this preliminary determination.

Surrogate Country

When the Department is investigating imports from an NME, section 773(c)(1) of the Act directs it to base normal value, in most circumstances, on the NME producer's factors of production 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 factors of production, the Department shall utilize, to the extent possible, the prices or costs of factors of production in one or more market-economy countries that are at a level of economic development comparable to that of the NME country and are significant producers of comparable merchandise. The sources of the surrogate values we have used in this investigation are discussed under the normal value section below.

As detailed in the *Surrogate Country Memorandum*, the Department has preliminarily selected India as the surrogate country on the basis that: (1) it is a significant producer of comparable merchandise; (2) it is at a similar level of economic development pursuant to 733(c)(4) of the Act; and (3) we have reliable data from India that we can use to value the factors of production. Thus, we have calculated normal value using Indian prices when available and appropriate to value Cixi

Jiangnan's, Far Eastern's and Ningbo Dafa's factors of production. See *Memorandum to the File from Paul Walker, through Alex Villanueva, Program Manager, AD/CVD Operations, Office 9, and James C. Doyle, Director, AD/CVD Operations, Office 9: Certain Polyester Staple Fiber from the People's Republic of China: Surrogate Values for the Preliminary Determination*, dated December 15, 2006 ("*Factor Value Memorandum*").

In accordance with 19 CFR 351.301(c)(3)(i), for the final determination in an antidumping investigation, interested parties may submit publicly available information to value the factors of production within 40 days after the date of publication of the preliminary determination.

Affiliations

Based on the evidence on the record in this investigation and based on the evidence presented in Far Eastern's questionnaire responses, we preliminarily find that Far Eastern is affiliated with Far Eastern Polychem Industries ("FEPI"), WuHan Far Eastern Industrial Trading Ltd. ("WHFE"), Alberta & Orient Co., Ltd (Canada) ("A&O"), Yuang Ding Investment Co. Ltd. ("YDIC"), Everest Investment (Holding) Limited ("EIHL"), Everest Textile Co. Ltd. ("Everest Textile"), Far Eastern Industrial (Suzhou) Ltd. ("FEIZ"), Far Eastern Industrial (Wuxi) Ltd. ("FEIW") and Far Eastern Textiles (Taiwan) Ltd.'s ("FETL"), in addition to FETL's other related parties, pursuant to sections 771(33)(E), (F), and (G) of the Act. Additionally, based on the evidence on the record in this investigation and presented in Ningbo Dafa's questionnaire responses, we preliminarily find that Ningbo Dafa is affiliated with Cixi Dafa Chemical Fiber Co., Ltd., Ferry Fly Foreign Trade Co., Ltd. and Worthal Limited Partnership pursuant to sections 771(33)(E), (F), and (G) of the Act. We preliminarily find that it is not necessary to collapse Far Eastern or Ningbo Dafa with its affiliates because there is no record evidence demonstrating that there is significant potential for manipulation of price or production with its affiliates. We note that the Department normally considers three criteria for collapsing: (i) the level of common ownership; (ii) the extent to which managerial employees or board members of one firm sit on the board of directors of an affiliated firm; and (iii) whether operations are intertwined, such as through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between the affiliated

producers. See 19 C.F.R. Sec. 351.401(f)(2).

Separate Rates

In proceedings involving NME countries, the Department has a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty rate. It is the Department's policy to assign all exporters of merchandise subject to investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. Cixi Jiangnan, Far Eastern and Ningbo Dafa, and the Separate-Rate Applicants have provided company-specific information to demonstrate that they operate independently of *de jure* and *de facto* government control, and therefore satisfy the standards for the assignment of a separate rate.

We have considered whether each PRC company that submitted a complete application is eligible for a separate rate. The Department's separate-rate test is not concerned, in general, with macroeconomic/border-type controls, e.g., export licenses, quotas, and minimum export prices, particularly if these controls are imposed to prevent dumping. See *Notice of Final Determination of Sales at Less Than Fair Value: Certain Preserved Mushrooms from the People's Republic of China*, 63 FR 72255, 72256 (December 31, 1998). The test focuses, rather, on controls over the investment, pricing, and output decision-making process at the individual firm level. See *Certain Cut-to-Length Carbon Steel Plate from Ukraine: Final Determination of Sales at Less than Fair Value*, 62 FR 61754, 61758 (November 19, 1997), and *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 62 FR 61276, 61279 (November 17, 1997).

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 (May 6, 1991) ("Sparklers"), as further developed in *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*"). In

accordance with the separate-rates criteria, the Department assigns separate rates in NME cases only if respondents can demonstrate the absence of both de jure and de facto governmental control over export activities.

1. 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.

The evidence provided by Cixi Jiangnan, Far Eastern, Ningbo Dafa and the Separate-Rate Applicants supports a preliminary finding of de jure absence of governmental control based on the following: 1) an absence of restrictive stipulations associated with the individual exporter's business and export licenses; 2) the applicable legislative enactments decentralizing control of the companies; and 3) any other formal measures by the government decentralizing control of companies. See *Memorandum to James C. Doyle, Director, AD/CVD Operations, Office 9, through Alex Villanueva, Program Manager, AD/CVD Operations, Office 9: Antidumping Duty Investigation of Certain Polyester Staple Fiber from the People's Republic of China: Separate Rates Memorandum*, dated December 15, 2006 ("*Separate Rates Memorandum*").

2. Absence of De Facto Control

Typically the Department considers four factors in evaluating whether each respondent is subject to *de facto* governmental control of its export functions: (1) whether the export prices are set by or are subject to the approval of a governmental agency; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses. See *Silicon Carbide*, 59 FR at 22586-87; see also *Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544, 22545 (May 8, 1995). The Department has determined that an

analysis of de facto control is critical in determining whether respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

We determine that, for Cixi Jiangnan, Far Eastern, Ningbo Dafa and the Separate-Rate Applicants, the evidence on the record supports a preliminary finding of *de facto* absence of governmental control based on record statements and supporting documentation showing the following: 1) each exporter sets its own export prices independent of the government and without the approval of a government authority; 2) each exporter retains the proceeds from its sales and makes independent decisions regarding disposition of profits or financing of losses; 3) each exporter has the authority to negotiate and sign contracts and other agreements; and 4) each exporter has autonomy from the government regarding the selection of management.

Therefore, the evidence placed on the record of this investigation by Cixi Jiangnan, Far Eastern, Ningbo Dafa and the Separate-Rate Applicants demonstrate an absence of *de jure* and *de facto* government control with respect to each of the exporter's exports of the merchandise under investigation, in accordance with the criteria identified in *Sparklers* and *Silicon Carbide*. As a result, for the purposes of this preliminary determination, we have granted separate company-specific rates to Cixi Jiangnan, Far Eastern and Ningbo Dafa. Additionally, we have granted the Separate-Rate Applicants a weighted-average margin for the purposes of this preliminary determination. See *Separate Rates Memorandum*.

The PRC-Wide Entity

The Department has data that indicates there were more exporters of PSF from the PRC than those indicated in the response to our request for Q&V information during the POI. See *Respondent Selection Memorandum*. We issued our request for Q&V information to 106 potential Chinese exporters of the subject merchandise, in addition to BOFT and MOFCOM.¹ We received only 19 Q&V responses and 3 Q&V responses that were improperly filed. See *Respondent Selection Memorandum* at 1-2. We did not receive Q&V responses from most of the companies to which we sent our request for Q&V information. See *Id.*

¹ For a list of companies to which the Department sent its request for Q&V information, see *Respondent Selection Memorandum* at 1.

Information on the record of this investigation indicates that there are numerous producers/exporters of PSF in the PRC. Based upon our knowledge of the volume of imports of subject merchandise from the PRC, the companies which responded to the Q&V questionnaire, the Separate-Rate Applicants, Cixi Jiangnan, Far Eastern, and Ningbo Dafa do not account for all imports into the United States. Although all exporters were given an opportunity to provide Q&V information, not all exporters provided a response to the Department's Q&V letter. Further, the Government of the PRC did not respond to the Department's questionnaire. Therefore, the Department determines preliminarily that there were PRC exporters of the subject merchandise during the POI from PRC producers/exporters that did not respond to the Department's request for information. We have treated these PRC producers/exporters as part of the PRC-wide entity because they did not qualify for a separate rate.

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

Information on the record of this investigation indicates that the PRC-wide entity was non-responsive. Certain companies did not respond to our request for Q&V information and did not respond to the Department's questionnaire. As a result, pursuant to section 776(a)(2)(A) of the Act, we find that the use of facts available is appropriate to determine the PRC-wide rate. See *Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 4986 (January 31, 2003), unchanged in *Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 68 FR 37116 (June 23, 2003).

Section 776(b) of the Act provides that, in selecting from among the facts

otherwise available, the Department may employ an adverse inference if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information. See *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation*, 65 FR 5510, 5518 (February 4, 2000); see also “Statement of Administrative Action,” accompanying the URAA, H.R. Rep. No. 103-316, 870 (1994) (“SAA”). We find that, because the PRC-wide entity did not respond to our request for information, it has failed to cooperate to the best of its ability. Therefore, the Department preliminarily finds that, in selecting from among the facts available, an adverse inference is appropriate.

Further, section 776(b) of the Act authorizes the Department to use as adverse facts available (“AFA”) information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record. In selecting a rate for adverse facts available, the Department selects a rate that is sufficiently adverse “as to effectuate the purpose of the facts available rule to induce respondents to provide the Department with complete and accurate information in a timely manner.” See *Final Determination of Sales at Less Than Fair Value: Static Random Access Memory Semiconductors from Taiwan*, 63 FR 8909, 8932 (February 23, 1998). It is the Department’s practice to select, as AFA, the higher of the (a) highest margin alleged in the petition, or (b) the highest calculated rate of any respondent in the investigation. See *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Quality Steel Products from the People’s Republic of China*, 65 FR 34660 (May 21, 2000) and accompanying Issues and Decision Memorandum, at “Facts Available.” In the instant investigation, as AFA, we have assigned to the PRC-wide entity a margin based on information in the petition, because the margin derived from the petition is higher than the calculated margins for the selected respondents. In this case, we have applied the petition rate of 44.30 percent.

Section 776(c) of the Act requires that, when the Department relies on secondary information rather than on information obtained in the course of an investigation as facts available, it must, to the extent practicable, corroborate that information from independent

sources reasonably at its disposal.² The SAA also states that the independent sources may include published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. See SAA at 870.

The SAA also clarifies that “corroborate” means that the Department will satisfy itself that the secondary information to be used has probative value. See SAA at 870. As noted in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Final Results of Antidumping Duty Administrative Reviews and Termination in Part: Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan*, 62 FR 11825 (March 13, 2005), to corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used.

Petitioners’ methodology for calculating the export price and normal value in the petition is discussed in the initiation notice. See *Initiation Notice* at 41203. To corroborate the AFA margin selected, we compared the U.S. price and normal values from the petition to the U.S. price and normal values for the respondents. See *Memorandum to the File through Alex Villanueva, Program Manager, AD/CVD Operations, Office 9: Corroboration of the PRC-Wide Facts Available Rate for the Preliminary Determination in the Antidumping Duty Investigation of PSF and parts thereof from the People’s Republic of China*, dated December 15, 2006, (“Corroboration Memorandum”). Accordingly, we find that the rate of 44.30 percent is corroborated within the meaning of section 776(c) of the Act. Consequently, we are applying 44.30 percent as the single antidumping rate to the PRC-wide entity. The PRC-wide rate applies to all entries of the merchandise under investigation except for entries from Cixi Jiangnan, Far

Eastern, Ningbo Dafa and the Separate-Rate Applicants.

Margin for the Separate Rate Applicants

The Department received timely and complete separate rates applications from the Separate Rates Applicants, who are all exporters of PSF from the PRC, which were not selected as mandatory respondents in this investigation. Through the evidence in their applications, these companies have demonstrated their eligibility for a separate rate, as discussed above in the “Separate Rates” section and in the *Separate Rates Memorandum*. Consistent with the Department’s practice, as the separate rate, we have established a weighted-average margin for the Separate Rates Applicants based on the rates we calculated for Ningbo Dafa, Cixi Jiangnan and Far Eastern, excluding any rates that are zero, *de minimis*, or based entirely on AFA. Companies receiving this rate are identified by name in the “Suspension of Liquidation” section of this notice.

Date of Sale

Section 351.401(i) of the Department’s regulations states that, “in identifying the date of sale of the subject merchandise or foreign like product, the Secretary normally will use the date of invoice, as recorded in the exporter or producer’s records kept in the normal course of business.” However, the Secretary may use a date other than the date of invoice if the Secretary is satisfied that a different date better reflects the date on which the exporter or producer establishes the material terms of sale. See 19 CFR 351.401(i); See also *Allied Tube and Conduit Corp. v. United States*, 132 F. Supp. 2d 1087, 1090-1093 (CIT 2001) (“*Allied Tube*”). The date of sale is generally the date on which the parties agree upon all substantive terms of the sale. This normally includes the price, quantity, delivery terms and payment terms. In order to simplify the determination of date of sale for both the respondent and the Department and in accordance with 19 CFR 351.401(i), the date of sale will normally be the date of the invoice, as recorded in the exporter’s or producer’s records kept in the ordinary course of business, unless satisfactory evidence is presented that the exporter or producer establishes the material terms of sale on some other date. In other words, the date of the invoice is the presumptive date of sale, although this presumption may be overcome. For instance, in *Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol from Taiwan*, 61 FR 14067 (March 29, 1996),

² Secondary information is described in the SAA as “information derived from the petition that gave rise to the investigation or review, the final determination concerning subject merchandise, or any previous review under section 751 concerning the subject merchandise.” See SAA at 870.

the Department used the date of the purchase order as the date of sale because the terms of sale were established at that point.

After examining the questionnaire responses and the sales documentation that Cixi Jiangnan, Far Eastern and Ningbo Dafa placed on the record, we preliminarily determine that invoice date is the most appropriate date of sale for Cixi Jiangnan, Far Eastern and Ningbo Dafa. In its supplemental section A response, dated November 16, 2006, Far Eastern explained that it had incorrectly stated that it did not encounter any changes to the material terms of sale from its purchase orders. Instead, its original statement should have read that material terms of the sale from its commercial invoice had not changed during the POI. Additionally, Far Eastern provided several specific examples where it did encounter changes to the material terms of sale from its purchase orders. These examples included a cancellation of a sale and order changes that affected the price, quantity, product types and shipping destination.

Petitioners, however, claim that the purchase order date is the most appropriate date of sale because Far Eastern stated that it did not encounter any changes with respect to the material terms of the sale from its purchase orders in its original section A questionnaire response, dated October 12, 2006. Petitioners have requested that the Department use the purchase order date because Far Eastern stated that the terms of sale did not change after the purchase order was issued.

In *Allied Tube*, the Court of International Trade (“CIT”) found that a “party seeking to establish a date of sale other than invoice date bears the burden of producing sufficient evidence to ‘satisfy’ the Department that a different date better reflects the date on which the exporter or producer establishes the material terms of sale.” *Allied Tube* 132 F. Supp. 2d at 1092.

Therefore, for this preliminary determination, the Department finds that based on the information on the record, Petitioners have failed to rebut the presumption that the invoice date is not the appropriate date of sale for Cixi Jiangnan, Far Eastern or Ningbo Dafa. Each respondent has provided various examples of material changes to their purchase orders during the POI. See *Preliminary Determination of Sales at Less Than Fair Value: Saccharin From the People’s Republic of China*, 67 FR 79054 (December 27, 2005).

Fair Value Comparisons

To determine whether sales of PSF to the United States by Cixi Jiangnan, Far Eastern and Ningbo Dafa were made at less than fair value, we compared the export price (“EP”) to normal value (“NV”), as described in the “U.S. Price,” and “Normal Value” sections of this notice. We compared NV to weighted-average EPs in accordance with section 777A(d)(1) of the Act.

U.S. Price

Export Price

For Cixi Jiangnan, Far Eastern and Ningbo Dafa, we based U.S. price on EP in accordance with section 772(a) of the Act, because the first sale to an unaffiliated purchaser was made prior to importation, and CEP was not otherwise warranted by the facts on the record. We calculated EP based on the packed price from the exporter to the first unaffiliated customer in the United States. Where applicable, we deducted foreign movement expenses, foreign brokerage and handling expenses, and international freight expenses from the starting price (gross unit price), in accordance with section 772(c) of the Act.

Where foreign movement or international ocean freight was provided by PRC service providers or paid for in Renminbi (“RMB”), we valued these services using surrogate values (see “Factors of Production” section below for further discussion).

For a complete discussion of specific respondent calculations of the U.S. price, see *Memorandum to the File from Michael Holton, Senior Case Analyst: Program Analysis for the Preliminary Determination of Antidumping Duty Investigation of Certain Polyester Staple Fiber from the People’s Republic of China: Cixi Jiangnan*, dated December 15, 2006 (“Cixi Jiangnan Analysis Memorandum”); *Memorandum to the File from Michael Holton, Senior Case Analyst: Program Analysis for the Preliminary Determination of Antidumping Duty Investigation of Certain Polyester Staple Fiber from the People’s Republic of China: Far Eastern*, dated December 15, 2006 (“Far Eastern Analysis Memorandum”); and *Memorandum to The File from Paul Walker, Senior Case Analyst, Investigation of Certain Polyester Staple Fiber from the People’s Republic of China: Analysis Memo for Ningbo Dafa Chemical Fiber Co., Ltd.*, dated December 15, 2006 (“Ningbo Dafa Analysis Memorandum”).

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using a factors-of-production methodology if the merchandise is exported from an NME and the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act. The Department bases NV on the FOP because the presence of government controls on various aspects of non-market economies renders price comparisons and the calculation of production costs invalid under the Department’s normal methodologies.

During the POI, Far Eastern did not have production of all types of merchandise for which it had POI sales. Consequently, Far Eastern reported in the factors of production database the most closely resembling CONNUM produced during the POI for the merchandise that was sold, but not produced during the POI. At the Department’s request, Far Eastern also submitted factors of production information covering the six-month period prior to the POI for the merchandise that was sold, but not produced during the POI, which included factors of production most closely resembling the CONNUM produced during the POI. Therefore, the Department has determined to use the additional six-month information provided by Far Eastern. See *Far Eastern Analysis Memorandum*.

In addition, Ningbo Dafa produced subject merchandise in more than one facility. Ningbo Dafa has stated that all subject merchandise sales to the United States and their respective CONNUMs may be tied to a single production facility. The Petitioners have argued that the Department should calculate normal value using factors of production from all of Ningbo Dafa’s production facilities. However, absent record information to the contrary, for this preliminary determination, the Department has only included the factors of production from this single facility in our calculation of normal value. See *Ningbo Dafa Analysis Memorandum* for a more complete explanation. The Department will continue to examine this issue for the final determination.

Critical Circumstances

On September 29, 2006, Petitioners alleged that there is a reasonable basis to believe or suspect critical circumstances exist with respect to the antidumping investigation of PSF from the PRC. On October 19, 2006, Cixi

Jiangnan, Far Eastern and Ningbo Dafa submitted information on their exports from January 2003 through September 2006 as requested by the Department. In accordance with 19 C.F.R.

§ 351.206(c)(2)(i), because Petitioners submitted critical circumstances allegations more than 20 days before the scheduled date of the preliminary determination, the Department must issue preliminary critical circumstances determinations not later than the date of the preliminary determination.

Section 733(e)(1) of the Act provides that the Department will preliminarily determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise; or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales; and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h)(1) of the Department's regulations provides that, in determining whether imports of the subject merchandise have been "massive," the Department normally will examine: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent during the "relatively short period" of time may be considered "massive." Section 351.206(i) of the Department's regulations defines "relatively short period" as normally being the period beginning on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later. The regulations also provide, however, that if the Department finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, the Department may consider a period of not less than three months from that earlier time.

In accordance with Section 733(e)(1)(A)(I) of the Act and as discussed in the *Critical Circumstances Memorandum*, the Department preliminarily finds that there is a history of dumping and material injury by reason of dumped imports in the United States and elsewhere of the subject merchandise based on the existence of foreign antidumping duty

orders of PSF, and the ITC's preliminary determination of material injury. See *Memorandum to Stephen Claeys, Deputy Assistant Secretary, AD/CVD Operations from James C. Doyle, Director, AD/CVD Operations, Office 9: Antidumping Duty Investigation of Certain Polyester Staple Fiber from the People's Republic of China: Preliminary Negative Determination of Critical Circumstances* ("Critical Circumstance Memorandum").

For the reasons set forth in the *Critical Circumstances Memorandum*, we find that there have been massive imports of the subject merchandise over a relatively short period for Far Eastern, but not for Ningbo Dafa, Cixi Jiangnan, the Separate Rates Applicants and the PRC-wide entity. See *Critical Circumstances Memorandum at Attachment 5-7*. We find that some importers, exporters, or producers knew or should have known an antidumping case was pending on PSF imports from the PRC in March of 2006 because there is record evidence that many of the Chinese producers begin planning the antidumping investigation. Therefore, we relied on a period of six months as the period, which is the maximum duration for the information we have available at this time, for comparison in preliminarily determining whether imports of the subject merchandise have been massive.

Therefore, given the analysis summarized above, and described in more detail in the *Critical Circumstances Memorandum*, we preliminarily determine that critical circumstances exist for imports of PSF from exist for Far Eastern, but do not exist for imports of PSF from Cixi Jiangnan, Far Eastern, Ningbo Dafa, the Separate-Rates Applicants and the PRC-wide entity.

We will make a final determination concerning critical circumstances for all producers/ exporters of subject merchandise from the PRC when we make our final dumping determination in this investigation, which is currently 75 days after the preliminary determination.

Factor Valuation Methodology

In accordance with section 773(c) of the Act, we calculated NV based on FOP data reported by respondents for the POI. To calculate NV, we multiplied the reported per-unit factor-consumption rates by publicly available surrogate values (except as discussed below). In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to make them

delivered prices. Specifically, we added to Indian import surrogate values a surrogate freight cost using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory where appropriate. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp. v. United States*, 117 F. 3d 1401, 1407-1408 (Fed. Cir. 1997). A detailed description of all surrogate values used for respondents can be found in the *Factor Value Memorandum* and company-specific analysis memorandum. Additionally, for detailed descriptions of all actual values used for market-economy inputs, see the company-specific analysis memoranda dated December 15, 2006. See *Cixi Jiangnan Analysis Memorandum; Far Eastern Analysis Memorandum; and Ningbo Dafa Analysis Memorandum*.

For this preliminary determination, the Department will use Far Eastern's reported market economy price of ethylene glycol from its unaffiliated supplier. However, the Department will continue to review whether Far Eastern is affiliated with its ethylene glycol supplier. If the Department finds that Far Eastern and its ethylene glycol supplier are affiliated, the Department will consider whether these purchases were made at arms-length in the final determination. See *Far Eastern Analysis Memorandum*.

For this preliminary determination, in accordance with the Department's practice, we used data from the Indian Import Statistics in order to calculate surrogate values for the mandatory respondents' material inputs. In selecting the best available information for valuing FOP in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, surrogate values which are non-export average values, most contemporaneous with the POI, product-specific, and tax-exclusive. See *e.g.*, *Notice of Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances and Postponement of Final Determination: Certain Frozen and Canned Warmwater Shrimp From the Socialist Republic of Vietnam*, 69 FR 42672, 42682 (July 16, 2004), unchanged in *Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp from the Socialist Republic of Vietnam*, 69 FR 71005 (December 8, 2004). The record shows that data in the Indian Import Statistics represents import data that is

contemporaneous with the POI, product-specific, and tax-exclusive. Where we could not obtain publicly available information contemporaneous to the POI with which to value factors, we adjusted the surrogate values using, where appropriate, the Indian Wholesale Price Index ("WPI") as published in the *International Financial Statistics* of the International Monetary Fund.

Furthermore, with regard to the Indian import-based surrogate values, we have disregarded import prices that we have reason to believe or suspect may be subsidized. We have reason to believe or suspect that prices of inputs from Indonesia, South Korea, and Thailand may have been subsidized. We have found in other proceedings that these countries maintain broadly available, non-industry-specific export subsidies and, therefore, it is reasonable to infer that all exports to all markets from these countries may be subsidized. See *Amended Final Determination of Sales at Less than Fair Value: Automotive Replacement Glass Windshields from the People's Republic of China*, 67 FR 11670 (March 15, 2002); see also *Notice of Final Determination of Sales at Less than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China*, 69 FR 20594 (April 16, 2004) ("CTVs from the PRC"). We are also directed by the legislative history not to conduct a formal investigation to ensure that such prices are not subsidized. See H.R. Rep. 100-576 at 590 (1988). Rather, Congress directed the Department to base its decision on information that is available to it at the time it makes its determination. Therefore, we have not used prices from these countries either in calculating the Indian import-based surrogate values or in calculating market-economy input values. In instances where a market-economy input was obtained solely from suppliers located in these countries, we used Indian import-based surrogate values to value the input. See *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.

For Cixi Jiangnan, Far Eastern, and Ningbo Dafa, certain inputs into the production of the merchandise under investigation were purchased from market economy suppliers and paid for in market economy currencies. For these inputs all purchases were made from a market economy supplier and paid in a

market economy currency, and the Department has therefore used the weighted-average POI price experienced by each respondent for these inputs. Therefore, we used the individual market economy prices experienced by Cixi Jiangnan, Far Eastern, and Ningbo Dafa when the inputs were obtained from a market economy, paid for in a market economy currency, and was a significant portion of the total purchases of that input.

The Department used the Indian Import Statistics to value the raw material and packing material inputs that Far Eastern, Cixi Jiangnan, and Ningbo Dafa used to produce the subject merchandise during the POI, except where listed below. Absent adequate information on the record to value PSF waste (fiber, "popcorn" and lump), for this preliminary determination, we are using an average of three Indian HTS numbers, 5503.20.00, 3915.90.42 and 3915.90.90, which represent values for raw PET bottles, finished PSF and plastic scrap, respectively. We note that the Department "need not prove that its methodology was the only way or even the best way to calculate surrogate values for factors of production, as long as it was a reasonable way." See *Coalition for the Pres. of Am. Brake Drum and Rotor Aftermakret Mfs. v. U.S.*, 23 CIT 88, 118, 44 F.Supp.2d 229, 258 (1999); *Shakeproof Assembly Components v. U.S.*, Slip-Op 06-129 (August 25, 2006). We find that, given the information on the record, that averaging HTS numbers 5503.20.00, 3915.90.42 and 3915.90.90 is the most reasonable way to value PSF waste. For a detailed description of PSF waste and all other surrogate values used for respondents, see *Factor Value Memorandum*.

To value electricity and diesel fuel, the Department used rates from *Key World Energy Statistics 2003*, published by the International Energy Agency. Because these data were not contemporaneous to the POI, we adjusted for inflation using WPI. See *Factor Value Memorandum*.

For natural gas, we applied a surrogate value obtained from the Gas Authority of India Ltd. website, a supplier of natural gas in India, covering the period January through June 2002. In addition, based on the February 1, 2005, article from *Chemical Weekly*, we note that the Petroleum Ministry had been considering raising the price but no action was taken. Therefore, consistent with the Department's recent determination in Polyvinyl Alcohol from the People's Republic of China, we took the average of the base and ceiling prices, added the transportation charge,

and inflated the calculated value using the appropriate WPI inflator. See Surrogate Value Memo and *Polyvinyl Alcohol From the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 71 FR 27991 (May 15, 2006), and accompanying Issues and Decision Memorandum at Comment 2.

The Department valued steam following the methodology used in the investigation of *Certain Tissue Paper Products and Certain Crepe Paper Products from the People's Republic of China*, but updated the natural gas price. See *Factor Value Memorandum and Notice of Preliminary Determinations of Sales at Less than Fair Value, Affirmative Preliminary Determination of Critical Circumstances and Postponement of Final Determination for Certain Tissue Paper Products*, 69 FR 56407 (September 21, 2004), unchanged in the final determination, *Notice of Final Determination of Sales at Less than Fair Value: Certain Tissue Paper Products from the People's Republic of China*, 70 FR 7475 (February 14, 2005).

For direct, indirect, and packing labor, consistent with 19 CFR 351.408(c)(3), we used the PRC regression-based wage rate as reported on Import Administration's home page, Import Library, Expected Wages of Selected NME Countries, revised in November 2005, <http://ia.ita.doc.gov/wages/index.html>. The source of these wage-rate data on the Import Administration's web site is the Yearbook of Labour Statistics 2002, ILO (Geneva: 2002), Chapter 5B: Wages in Manufacturing. Because this regression-based wage rate does not separate the labor rates into different skill levels or types of labor, we have applied the same wage rate to all skill levels and types of labor reported by the respondent. See *Factor Value Memorandum*.

Because water is essential to the production process of the subject merchandise, the Department considers water to be a direct material input, and not as overhead, and valued water with a surrogate value according to our practice. See *Final Determination of Sales at Less than Fair Value and Critical Circumstances: Certain Malleable Iron Pipe Fittings From the People's Republic of China*, 68 FR 61395 (October 28, 2003) and, accompanying Issue and Decision Memorandum at Comment 11. Although some suppliers have reported that they obtain water from a well, we find that whether the producer pays for water is irrelevant in determining whether it should be considered a direct material input. Further, there is no evidence on the

record that the Indian producer of polyester staple fiber from which we are obtaining an overhead financial ratio accounts for water as an overhead expense. The Department valued water using data from the Maharashtra Industrial Development Corporation (www.midcindia.org) since it includes a wide range of industrial water tariffs. This source provides 386 industrial water rates within the Maharashtra province from June 2003: 193 for the "inside industrial areas" usage category and 193 for the "outside industrial areas" usage category. Because the value was not contemporaneous with the POI, we adjusted the rate for inflation. See *Factor Value Memorandum*.

We used Indian transport information in order to value the freight-in cost of the raw materials. The Department determined the best available information for valuing truck freight to be from www.infreight.com. This source provides daily rates from six major points of origin to five destinations in India during the POI. The Department obtained a price quote on the first day of each month of the POI from each point of origin to each destination and averaged the data accordingly. See *Factor Value Memorandum*. Consistent with the calculation of inland truck freight, the Department used the same freight distances used in the calculation of inland truck freight, as reported by www.infreight.com to derive a value in Rupees per kilogram per kilometer. See *Factor Value Memorandum*.

The Department used two sources to calculate a surrogate value for domestic brokerage expenses. The Department averaged December 2003–November 2004 data contained in Essar Steel's February 28, 2005, public version response submitted in the AD administrative review of Hot-Rolled Carbon Steel Flat Products from India

with October 2002–September 2003 data contained in Pidilite Industries' March 9, 2004, public version response submitted in the AD investigation of Carbazole Violet Pigment 23 from India (see *Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India*, 69 FR 67306 (November 17, 2004)). The brokerage expense data reported by Essar Steel and Pidilite Industries in their public versions is ranged data. The Department first derived an average per-unit amount from each source. Then the Department adjusted each average rate for inflation. Finally, the Department averaged the two per-unit amounts to derive an overall average rate for the POI. See *Factor Value Memorandum*.

To value marine insurance, the Department obtained a price quote from <http://www.rjgconsultants.com/insurance.html>, a market-economy provider of marine insurance. See *Factor Value Memo Memorandum*. To value factory overhead, selling, general, and administrative expenses, and profit, we used the audited financial statements from Indo Rama's 2005/2006 Annual Report and Reliance Industries Ltd.'s 2005/2006 Annual Report. See *Factor Value Memorandum*.

Currency Conversion

We made currency conversions into U.S. dollars, in accordance with section 773A(a) of the Act, based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

Verification

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

Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. See *Initiation Notice*, 70 FR 35625, 35629. This change in practice is described in Policy Bulletin 05.1, available at <http://ia.ita.doc.gov/>. The Policy Bulletin 05.1, states:

"[w]hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation." See *Policy Bulletin 05.1* at 6.

Preliminary Determination

The weighted-average dumping margins are as follows:

PSF FROM THE PRC - WEIGHTED-AVERAGE DUMPING MARGINS

Exporter & Producer	Weighted-Average Deposit Rate
Cixi Jiangnan Chemical Co., Ltd.	15.30%
Far Eastern Industries (Shanghai) Ltd.	10.45%
Ningbo Dafa Chemical Fiber Co., Ltd.	4.39%
Cixi Sansheng Chemical Fiber Co., Ltd.	9.25%
Cixi Santai Chemical Fiber Co., Ltd.	9.25%
Cixi Waysun Chemical Fiber Co., Ltd.	9.25%
Hangzhou Best Chemical Fibre Co., Ltd.	9.25%
Hangzhou Hanbang Chemical Fibre Co., Ltd.,	9.25%
Hangzhou Huachuang Co., Ltd.	9.25%
Hangzhou Sanxin Paper Co., Ltd.	9.25%
Hangzhou Taifu Textile Fiber Co., Ltd.	9.25%
Jiaxang Fuda Chemical Fibre Factory	9.25%
Nantong Luolai Chemical Fiber Co. Ltd.	9.25%
Nanyang Textile Co., Ltd.	9.25%
Suzhou PolyFiber Co., Ltd.	9.25%
Xiamen Xianglu Fiber Chemical Co.	9.25%
Zhaoqing Tifo New Fiber Co., Ltd.	9.25%
Zhejiang Anshun Pettechs Fibre Co., Ltd.	9.25%

PSF FROM THE PRC - WEIGHTED-AVERAGE DUMPING MARGINS—Continued

Exporter & Producer	Weighted-Average Deposit Rate
Zhejiang Waysun Chemical Fiber Co., Ltd.	9.25%
PRC-Wide Rate	44.30%

Disclosure

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

Suspension of Liquidation

In accordance with section 733(d) of the Act, we will instruct U.S. Customs and Border Protection ("CBP") to suspend liquidation of all entries of PSF from the PRC as described in the "Scope of Investigation" section, entered, or withdrawn from warehouse, for consumption from Ningbo Dafa, Cixi Jiangnan, the Separate Rate Applicants and the PRC-wide entity on or after the date of publication of this notice in the **Federal Register**. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds U.S. price, as indicated above. For Far Eastern, we will direct CBP to suspend liquidation of any entries of PSF from the PRC as described in the "Scope of Investigation" section, that are entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication in the **Federal Register** of our preliminary determination. The suspension of liquidation will remain in effect until further notice.

International Trade Commission Notification

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

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Import Administration no later than seven days after the date of the final verification report is issued in this proceeding and rebuttal briefs limited to issues raised in case briefs no later than five days after the deadline

date for case briefs. A list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

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

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, Room 1870, within 30 days after the date of publication of this notice. See 19 CFR 351.310(c). Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. At the hearing, each party may make an affirmative presentation only on issues raised in that party's case brief and may make rebuttal presentations only on arguments included in that party's rebuttal brief.

We will make our final determination no later than 75 days after the date of publication of this preliminary determination, pursuant to section 735(a) of the Act.

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

Dated: December 15, 2006.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E6-22071 Filed 12-22-06; 8:45 am]

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DEPARTMENT OF COMMERCE**International Trade Administration**

A-570-878

Saccharin from the People's Republic of China: Notice of 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") initiated an administrative review of the antidumping duty order on saccharin from the People's Republic of China ("PRC"), covering the period July 1, 2005, through June 30, 2006. Based on the withdrawal of the requests for review with respect to two companies, we are rescinding this administrative review, in part.

EFFECTIVE DATE: December 26, 2006.

FOR FURTHER INFORMATION CONTACT: Jennifer Moats, AD/CVD Operations, Office 8, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave, NW, Washington, DC 20230; telephone: (202) 482-5047.

SUPPLEMENTARY INFORMATION:**Background**

On July 3, 2006, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on saccharin from the PRC. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 71 FR 37890, (July 3, 2006). We received timely requests for review from Amgal Chemical Products (1989) Ltd. ("Amgal"), Shanghai Fortune Chemical Company, Ltd. ("Shanghai Fortune"), and Suzhou Fine Chemical Co. Group Ltd. ("Suzhou").

On August 30, 2006, the Department published a notice of the initiation of the administrative review of the antidumping duty order on saccharin from the PRC for the period July 1, 2005, through June 30, 2006. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for*