

**General Issues**

Comment 5: Critical Circumstances  
 Comment 6: Exporter-Producer Combination Rates

**Surrogate Values**

Comment 7: Time Period for the Valuation of Pure Magnesium  
 Comment 8: Valuation of Pure Magnesium  
 Comment 9: Surrogate Value for Dolomite  
 Comment 10: Ferrosilicon, No. 2 Flux, Fluorite Powder, Magnesium and Barium Chlorides, Bituminous Coal  
 Comment 11: Electricity and Chemicals/Gases  
 Comment 12: Use of Zinc Financial Statements Instead of Aluminum for Determination of the Overhead Ratios  
 Comment 13: Particle-board Pallets, Profit, and Marine Insurance

**Issues with Respect to Tianjin**

Comment 14: Valuation of Pure Magnesium for Yinguang  
 Comment 15: Yinguang's Consumption Rate for Dolomite  
 Comment 16: Supplier Distance for Yangyu  
 Comment 17: Valuation of Pure Magnesium for Guoli

[FR Doc. E5-760 Filed 2-23-05; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE****International Trade Administration**

[A-821-819]

**Magnesium Metal from the Russian Federation: Notice of Final Determination of Sales at Less Than Fair Value**

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

**Final Determination**

We determine that magnesium metal ("magnesium") from the Russian Federation ("Russia") is being, or is likely to be, sold in the United States at less-than-fair value ("LTFV"), as provided in section 735 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Final Determination Margins" section of this notice.

**EFFECTIVE DATE:** February 24, 2005.

**FOR FURTHER INFORMATION CONTACT:** Mark Hoadley at (202) 482-3148 or Kimberley Hunt at (202) 482-1272 (Avisma); and Josh Reitze at (202) 482-0666 (SMW); AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**Case History**

On October 4, 2004, the Department of Commerce ("the Department") published its preliminary determination of sales at LTFV of magnesium metal from Russia. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Magnesium Metal From the Russian Federation*, 69 FR 59197 (October 4, 2004) (*Preliminary Determination*). Since the *Preliminary Determination*, the following events have occurred. On October 8, 2004, Solikamsk Magnesium Works ("SMW") requested a public hearing. On October 18, 2004, SMW provided a revised version of its U.S. sales database that included all sales invoiced during the period of investigation. The Department conducted verification of JSC AVISMA Titanium-Magnesium Works' ("Avisma") and SMW's sales and cost questionnaire responses from October 25, 2004, to November 5, 2004.<sup>1</sup> Petitioners<sup>2</sup> requested a hearing on October 28, 2004, and on November 3, 2004, Avisma requested one as well. On November 8 and November 9, 2004, respectively, Petitioners and the USEC Inc. and United States Enrichment Corporation (collectively, "USEC"), submitted comments regarding Russian energy prices. On November 10, 2004, Avisma requested that the Department reject this submission as USEC is not a party to the proceeding. On November 12, 2004, USEC rebutted Avisma's November 10 submission; on November 18, 2004, Avisma filed a rebuttal to Petitioners' November 8, 2004, submission.

The Department conducted verification of SMW's U.S. affiliate, Solimin Magnesium Corporation ("Solimin"), on December 6 and 7,

<sup>1</sup> See Memorandum to the File, from Sebastian Wright, Magnesium Metal From The Russian Federation: Verification Report for JSC AVISMA Titanium-Magnesium Works, December 23, 2004 (*Avisma Verification Report*); Memorandum to Neal M. Halper from Robert Greger, *et al.*, Verification Report on the Cost of Production and Constructed Value Data Submitted by JSC AVISMA Titanium-Magnesium Works, December 30, 2004 (*Avisma Cost Verification Report*); See Memorandum to the File from Maria MacKay and Mark Hoadley; Magnesium Metal From The Russian Federation: Verification Report for Solikamsk Magnesium Works (*SMW Verification Report*); and Memorandum to Neal M. Halper from Ernest Gziryan, *et al.*; Verification Report on the Cost of Production and Constructed Value Data Submitted by Solikamsk Magnesium Works, December 30, 2004 (*SMW Cost Verification Report*), on file in the Central Records Unit, Room B-099 of the Main Commerce building ("CRU").

<sup>2</sup> Petitioners in this investigation are U.S. Magnesium Corporation, LLC; United Steelworkers of America, Local 8319; and Glass, Molders, Pottery, Plastics and Allied Workers International, Local 374.

2004.<sup>3</sup> The Department conducted verification of Avisma's U.S. affiliate, VSMPO-Tirus, U.S., Inc. ("Tirus"), on December 13 and 14, 2004,<sup>4</sup> and of SMW's other U.S. affiliate, CMC Cometals ("Cometals"), on December 16 and 17, 2004.<sup>5</sup>

On January 4, 2005, Petitioners submitted "previously unavailable" information on the Russian energy market. Avisma, on January 5, and SMW, on January 6, 2005, requested that Petitioners' "untimely" submission be removed from the record. During the weeks of January 3rd and January 10th, the Department held meetings with several parties on the energy issue and memoranda documenting these meetings have been placed on the record of this investigation. On January 7, 2005, the Department extended the time limits on the submission of factual information and accepted the Petitioners' submission. On January 14, 2005, Avisma argued that the Department should not rely on the information contained in Petitioners' January 4, 2005, submission.

On January 7, 2005, Petitioners, Avisma, SMW, and Northwest Alloys, Inc. and Alcoa, Inc. (collectively, "Alcoa"), submitted case briefs. SMW submitted a rebuttal brief on January 12 and Petitioners and Avisma submitted rebuttal briefs on January 13, 2005.

On January 12, 2005, the Department requested comments on a methodological issue related to the cost of electricity. On January 14, 2005, Alcoa submitted comments; on January 18, 2005, Avisma and USEC also submitted comments. On January 18, 2005, Petitioners made three submissions, the first two calling for Avisma's and Alcoa's submissions to be struck from the record and the third responding to the Department's request for comment. On January 19, 2005, Avisma made another submission arguing the relevance of Petitioners' January 18, 2005, submission. On January 21, 2005, Petitioners submitted rebuttal comments to Alcoa's January 14, 2005, submission and Avisma's January 18, 2005, submission. On

<sup>3</sup> Memorandum to the File, from Joshua Reitze and Kimberley Hunt, Magnesium Metal From The Russian Federation: U.S. Sales Verification, December 29, 2004 (*Solimin Verification Report*), on file in the CRU.

<sup>4</sup> Memorandum to the File, from Sebastian Wright and Mark Hoadley; Magnesium Metal From The Russian Federation: Verification Report for JSC AVISMA Titanium-Magnesium Works, December 30, 2004 (*Tirus Verification Report*), on file in the CRU.

<sup>5</sup> Memorandum to the File, from Joshua Reitze and Kimberley Hunt, Magnesium Metal From The Russian Federation: U.S. Sales Verification (Cometals), December 30, 2004 (*Cometals Verification Report*), on file in the CRU.

January 21, 2005, Avisma and SMW both filed rebuttals to Petitioners' January 18, 2005, comments.

A public hearing was held on January 21, 2005. On January 26, 2005, Alcoa made a submission, requested at the hearing by the Department, stating that, in its view, the information presented at the hearing had already been placed on the record of the proceeding.

#### Period of Investigation

The period of investigation ("POI") is January 1, 2003, through December 31, 2003. See 19 CFR § 351.204(b)(1).

#### Scope of Investigation

For the purpose of this investigation, the product covered is magnesium metal (also referred to as magnesium) from Russia. The products covered by this investigation are primary and secondary pure and alloy magnesium metal, regardless of chemistry, raw material source, form, shape or size. Magnesium is a metal or alloy containing, by weight, primarily the element of magnesium. Primary magnesium is produced by decomposing raw materials into magnesium metal. Secondary magnesium is produced by recycling magnesium-based scrap into magnesium metal. The magnesium covered by this investigation includes blends of primary and secondary magnesium.

The subject merchandise includes the following pure and alloy magnesium metal products made from primary and/or secondary magnesium, including, without limitation, magnesium cast into ingots, slabs, rounds, billets, and other shapes, and magnesium ground, chipped, crushed, or machined into raspings, granules, turnings, chips, powder, briquettes, and other shapes: (1) Products that contain at least 99.95 percent magnesium, by weight (generally referred to as "ultra-pure" magnesium); (2) products that contain less than 99.95 percent but not less than 99.8 percent magnesium, by weight (generally referred to as "pure" magnesium); and (3) chemical combinations of magnesium and other material(s) in which the magnesium content is 50 percent or greater, but less than 99.8 percent, by weight, whether or not conforming to an "ASTM Specification for Magnesium Alloy."

The scope of this investigation excludes: (1) Magnesium that is in liquid or molten form; and (2) mixtures containing 90 percent or less magnesium in granular or powder form by weight and one or more of certain non-magnesium granular materials to make magnesium-based reagent mixtures, including lime, calcium metal, calcium silicon, calcium carbide,

calcium carbonate, carbon, slag coagulants, fluorspar, nepheline syenite, feldspar, alumina (Al<sub>2</sub>O<sub>3</sub>), calcium aluminate, soda ash, hydrocarbons, graphite, coke, silicon, rare earth metals/mischmetal, cryolite, silica/fly ash, magnesium oxide, periclase, ferroalloys, dolomite lime, and colemanite.<sup>6</sup>

The magnesium subject to this investigation is classifiable under item numbers 8104.11.00, 8104.19.00, 8104.30.00, and 8104.90.00 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The HTSUS item numbers are provided for convenience and customs purposes only. The written description of the merchandise under investigation is dispositive.

#### Verification

As provided in section 782(i) of the Act, we verified the information submitted by Avisma and SMW for use in this final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the Respondents.

#### Energy Costs

In the original petition for the imposition of antidumping duties on U.S. imports of magnesium from Russia, Petitioners alleged that Russian energy costs are distorted by excessive Russian government involvement in the energy sector. Citing section 773(f)(1)(A) of the Act, Petitioners requested that the Department adjust Respondents' reported energy costs to account for the effects of this government involvement and to reflect better what they considered to be true, market-based energy costs. Petitioners argued that the use of the qualifying word "normally" demonstrates that the Department has the authority to disregard reported costs under certain circumstances.

In the *Notice of Initiation of Antidumping Duty Investigations: Magnesium Metal From the People's Republic of China and the Russian*

<sup>6</sup> This second exclusion for magnesium-based reagent mixtures is based on the exclusion for reagent mixtures in the 2000–2001 investigations of magnesium from China, Israel, and Russia. See *Final Determination of Sales at Less Than Fair Value: Pure Magnesium in Granular Form From the People's Republic of China*, 66 FR 49345 (September 27, 2001); *Final Determination of Sales at Less Than Fair Value: Pure Magnesium From Israel*, 66 FR 49349 (September 27, 2001); *Final Determination of Sales at Not Less Than Fair Value: Pure Magnesium From the Russian Federation*, 66 FR 49347 (September 27, 2001). These mixtures are not magnesium alloys because they are not chemically combined in liquid form and cast into the same ingot.

*Federation*, 69 FR 15293 (March 25, 2004) ("*Initiation Notice*"), the Department recognized the complexity of valuing energy costs and stated its intention to examine this issue during the course of this investigation. On July 30, 2004, Petitioners submitted additional information to support their claim that Russian government involvement resulted in gas and electricity prices that do not reflect "economic reality." Petitioners again argued that the Department has the legal authority to disregard or adjust the energy costs reported by Respondents to account for this distortion, and suggested options for correcting the effects of this distortion. On September 1 and 3, 2004, Avisma responded that the Department does not have the authority to disregard Respondents' reported costs and that there is no precedent for doing so. Furthermore, Avisma argued that there is no evidence that the prices Avisma pays for energy are distorted. In Avisma's view, all of the analyses of the Russian energy prices which had been submitted by Petitioners for the record were based on speculation about future capital costs, and were not relevant to this antidumping investigation. SMW submitted comments on September 15, 2004, which endorsed Avisma's legal analysis.

In its *Preliminary Determination*, the Department did not adjust Respondents' reported electricity costs, but indicated that it would be willing to consider new or updated factual information on the issue of whether electricity prices in Russia are distorted such that the Department should make an adjustment to the specific prices charged to Respondents for purposes of the final determination.<sup>7</sup> On November 8, 2004, Petitioners submitted additional information in support of their arguments for disregarding or adjusting Respondents' reported electricity costs. On November 9, 2004, USEC argued that the Department should adjust Russian electricity prices in this proceeding and should consider similar adjustments in future proceedings. On November 12, 2004, USEC further argued that the Department should proceed with caution in accepting reported input purchase prices in countries that have recently been graduated to market-economy status. On November 18, 2005, Avisma submitted a rebuttal to Petitioners' claims, arguing that the Department has no authority to make an

<sup>7</sup> In the *Preliminary Determination*, the Department focused on electricity costs because electricity is the energy input that is significant in the production of magnesium.

adjustment to the costs reflected in Respondents' books and records.

On January 4, 2005, Petitioners submitted information on the sale of a privately-held Russian energy firm to a state-controlled Russian energy firm. On January 6, 2005, the Department notified parties that it would allow this new information to remain on the record and permitted interested parties to rebut such information in accordance with section 351.301(c)(1) of its regulations. On January 12, 2005, the Department issued a memorandum outlining two possible adjustments that could be made to Respondents' reported electricity purchases, in the event the Department decided that an adjustment was appropriate. See Memorandum to the File from Lawrence Norton, Energy Pricing in the Antidumping Duty Investigation on Magnesium from the Russian Federation (January 12, 2005). The Department invited interested parties to comment on the possible adjustments. On January 14, 2005, Alcoa responded, arguing that an adjustment would neither be warranted nor consistent with the statute. On January 18, 2005, Avisma responded stating that neither the Department's proposed adjustments, nor any other adjustments would be appropriate in this antidumping investigation. Avisma argued that there is no legal basis for making such an adjustment and the Department has no authority to do so. Also on January 18, 2005, USEC responded to the proposed adjustments, reiterating again that the Department should preserve maximum flexibility for future proceedings. On the same date, Petitioners submitted an argument in favor of one of the possible adjustments, but also argued that the adjustment should be inflated to make it contemporaneous with the POI.

After carefully analyzing all of the evidence and arguments on the record of this proceeding, the Department has determined that, while such adjustments are permissible, based on the specific facts of this case, for purposes of this final determination, it will not make an adjustment to the Respondents' reported electricity costs. Our analyses and specific arguments presented by the parties with respect to this issue are set forth below.

First, we agree with Petitioners that section 773(f) of the statute gives the Department the legal authority to adjust prices recorded in a respondent's books and records under certain circumstances. The statute specifies a standard: "normally" the Department will use the costs as recorded in the respondent's books and records in calculating the cost of production if two

criteria are met: (1) Those records are kept in accordance with the respondent's home country's Generally Accepted Accounting Principles (GAAP), and (2) those recorded costs reasonably reflect the costs associated with the production and sale of the subject merchandise. However, the statute's explicit use of the word "normally" indicates that there may be circumstances where the Department could reasonably determine that the use of the respondent's recorded costs is inappropriate. In such cases, the Department has the discretion to calculate the costs of production by some other reasonable means.

In its June 6, 2002, memorandum graduating Russia from non-market economy ("NME") status, the Department specifically stated that it retained its statutory authority to evaluate the underlying usefulness of particular costs involved in normal value calculations:

Accordingly, the Department will examine prices and costs within Russia, utilizing them for the determination of normal value when appropriate or disregarding them when they are not. In this regard, the Department retains its authority to disregard particular prices when the prices are not in the ordinary course of trade, the costs are not in accordance with generally accepted accounting principles, the costs do not reasonably reflect the costs associated with the production or sale of the merchandise, or in other situations provided for in the Act or in the Department's regulations.<sup>8</sup>

The Department further highlighted its concern regarding prices in the Russian energy sector in particular:

The State no longer controls resource allocations or prices, with the notable exception of energy prices, which remain a significant distortion in the economy, as they encourage the wasteful use (misallocation) of Russia's energy resources and slow the adoption of more efficient production methods. \* \* \* While some market distortions and resource misallocations characterize most market economies, energy is of such significance to the Russian economy that continuation of the Russian government's current energy price regulatory policies may warrant careful consideration of energy price data in future trade remedy cases.<sup>9</sup>

Subsequent to Russia's graduation to market-economy status, the Department renegotiated a suspension agreement concerning cut-to-length carbon steel plate from Russia. In the renegotiated suspension agreement, the Department

<sup>8</sup> See Memorandum to Faryar Shirzad from Albert Hsu et al, Inquiry into the Status of the Russian Federation as a Non-Market Economy Country Under the U.S. Antidumping Law (June 6, 2002) (hereafter, the "NME Memorandum").

<sup>9</sup> *Id.*

reiterated its concern over the reliability of costs related to Russia's energy sector, stating that "(e)examples of possible areas in which adjustments may be necessary include, but are not limited to, costs related to energy \* \* \*" <sup>10</sup>

At the time the *NME Memorandum* and the *Suspension Agreement* were issued, the most current information on the Russian energy sector was from 2002. During the course of this investigation, parties have submitted information that has allowed the Department to examine the state of the Russian energy sector, particularly the electricity sector, in 2003. After examining the data on the record of this case at the macroeconomic level, the Department finds substantial evidence of continuing distortions. While electricity prices have been increasing as of late, and while small trading exchanges have been allowed to develop, significant aspects of the electricity sector remain distorted and are not subject to market forces. The World Bank argued in 2003 that "the government needs to develop a medium-term tariff policy \* \* \* that is designed to bring utility tariffs up to full economic levels." <sup>11</sup> Elsewhere, the World Bank defines "full economic levels" as long-run marginal cost. In addition, in their latest report, the Organization for Economic Cooperation and Development ("OECD") states that the Russian electricity sector is dominated by a state-controlled monopoly, and that "there is neither competition in the wholesale market (which in any case is not really a market) nor choice of supplier for consumers." <sup>12</sup>

Information on the record shows that, at the macroeconomic level, the Russian energy sector has yet to be significantly restructured, and that state ownership is still pervasive, in some cases even increasing. Prices are still generally set by the government and overall remain at uneconomic levels that often do not cover the long-run cost of production.<sup>13</sup> Near-monopoly conditions still prevail in production, while production

<sup>10</sup> See *Suspension of Antidumping Duty Investigation of Certain Cut-to-Length Carbon Steel Plate from the Russian Federation*, 68 FR 3859 (January 27, 2003) (hereafter, the "*Suspension Agreement*").

<sup>11</sup> World Bank, *Russia: Development Policy Review*, Report No. 26000-RU, June 9, 2003, p. 13.

<sup>12</sup> Organization for Economic Cooperation and Development, *OECD Economic Survey: Russian Federation*, 2004, p. 162-163.

<sup>13</sup> Organization for Economic Cooperation and Development, *OECD Economic Survey: Russian Federation*, 2004, p. 165. Here the OECD states that "what {electricity tariffs} do not allow for is the recovery of capital cost, and estimates of the sector's capital investment needs vary widely \* \* \*."

quantities are still being allocated by the government.<sup>14</sup> Additionally, the transparency of energy sector accounts and records is still very poor. Overall, the evidence on the record indicates that the Russian electricity sector is still, as a whole, in the early stages of reform, and is a sector where prices are based neither on market principles nor on long-term cost recovery.

In addition to examining the studies and other information documenting the state of the Russian energy sector as a whole in 2003, the Department also probed the specific experiences of each Respondent in their purchases of electricity during the POI through questionnaire responses and at verification. We found that: (1) The Respondents engage in regular purchases of electricity; (2) the invoices they were issued matched the regional utility's rate schedule; and (3) they pay these invoices on time and in full. See *SMW Cost Verification Report* and *Avisma Cost Verification Report* (December 30, 2004). While these company-specific facts do not alter our conclusions about the meaningful distortions in price at the macroeconomic level, we find that the information on the record of this proceeding with respect to the macroeconomic distortions in the Russian energy sector does not allow the Department to discern and measure the effects of such distortions on Respondents' reported electricity costs. Furthermore, the record evidence does not demonstrate to what extent local and regional conditions do or do not reflect country-wide distortions in the Russian electricity sector.

In summary, because the record evidence of this investigation does not enable us to ascertain the manner and the extent to which the macroeconomic price distortions in the Russian electricity sector affect Respondents' reported electricity costs, the Department has determined not to adjust or disregard such costs for purposes of this final determination. The Department reserves its discretion to do so in future proceedings when evidence of continuing significant distortions at the macroeconomic level is accompanied by sufficient evidence or analysis with respect to the impact of such distortions on energy prices paid by respondent firms.

#### Application of Facts Available

During verification, the Department discovered numerous errors in Avisma's payment dates as reported in Avisma's questionnaire responses. These errors,

ranging up to over a year difference between the actual payment date and the date reported to the Department, call into question the accuracy and reliability of Avisma's payment dates as reported. We therefore determine that the payment dates reported could not be verified. Pursuant to section 776(a) of the Act, the Department may resort to facts otherwise available when the "necessary information is not available on the record," or an interested party provides information "but that information cannot be verified. \* \* \*" Accordingly, we find it appropriate to rely on partial facts available to determine payment date.

Section 776(b) of the Act provides that the Department may apply an adverse inference in selecting from the facts otherwise available when "an interested party has failed to cooperate by not acting to the best of its ability. \* \* \*" Avisma did discover one incorrect payment in the course of preparing for verification, a rather large error, which it reported as a minor correction prior to the start of verification. During verification, however, the Department found numerous other errors, some also significant in size, in reviewing the documentation that was solely in Avisma's control. We determine that Avisma had the ability to conduct a more thorough evaluation of its own records prior to verification, and could have discovered these errors on its own. Had Avisma done so, it would have been alerted to the fact that there was a problem with the method it used to collect and report payment dates. Moreover, Avisma could have reported these problems to the Department before the commencement of verification. Having failed to do so, the Department finds that Avisma failed to cooperate to the best of its ability and the application of an adverse inference is warranted.

As a result, the Department has determined to replace the payment dates reported by applying the longest verified period between payment date and shipment date for prepayment sales (regardless of whether the payment was received in one or multiple installments), and the shortest verified period between payment date and shipment date for all other sales.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this proceeding are listed in the Appendix to this notice and addressed in the Memorandum from Barbara E. Tillman, Acting Deputy Assistant Secretary for Import Administration, to Joseph A. Spetrini, Acting Assistant Secretary for

Import Administration, "Issues and Decision Memorandum for the Antidumping Duty Investigation of Magnesium Metal from the Russian Federation (January 1, 2003–December 31, 2003)," ("Decision Memorandum"), dated concurrently with this notice, which is hereby adopted by this notice. Parties can find a complete discussion of the issues raised in this investigation in this public memorandum which is on file in the CRU. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Internet at: <http://ia.ita.doc.gov/frn/index.html>. The paper copy and the electronic version of the *Decision Memorandum* are identical in content.

#### Changes Since the Preliminary Determination

Based on our findings at verification and on our analysis of the comments received, we have made certain adjustments to the margin calculations used in the *Preliminary Determination*. These adjustments are discussed in detail in the *Decision Memorandum* and are listed below:

##### AVISMA

1. We included "barter sales" in the home-market database.
2. We recalculated the credit period based on verification findings.
3. We adjusted Avisma's interest rate to accurately reflect the underlying loan documents, examined at verification.
4. We recalculated U.S. repacking expenses based on verification findings.
5. We recalculated inventory carrying costs to reflect the revised interest rate and an error discovered at verification regarding the average number of days in inventory.
6. We recalculated Avisma's chlorine gas by-product offset for a restatement of disposal quantities.
7. We adjusted Avisma's reported depreciation expenses to account for the revaluation of fixed assets to reflect inflation.
8. We adjusted Avisma's general and administrative ("G&A") expense ratio to include certain other operating and non-operating income and expenses.

##### SMW

1. We included "barter sales" in the home-market database.
2. We disregarded SMW's billing adjustments for exchange rate gains and losses on stockpile sales.
3. We adjusted SMW's "zeroed out" credit expenses for prepaid sales to reflect negative credit expenses.
4. We removed two observations from the SMW home-market dataset erroneously reported as sales.

<sup>14</sup> *Id.*, p. 163.

- 5. We deducted certain commissions paid on sales to one U.S. customer.
- 6. We adjusted domestic inventory carrying costs to include both days at sea and days in inventory at the factory.
- 7. We adjusted the reported home-market interest rate to reflect only loans denominated in rubles.
- 8. We recalculated inventory carrying costs to reflect the revised interest rates.
- 9. We used home-market indirect selling expenses as reported in the cost database, not those figures reported in the sales database.
- 10. We recalculated U.S. indirect selling expenses using the latest total U.S. sales figure.
- 11. We adjusted the reported value of carnallite purchased from an affiliated supplier in accordance with the major input rule of section 773(f)(3) of the Act.
- 12. We adjusted the reported G&A expense rate to include certain income and expense items related to the general operations of the company.
- 13. We removed selling expenses which were incorrectly reported in the cost of production ("COP") file.
- 14. We adjusted the reported factory overhead costs to reflect the amount of factory overhead recorded in the financial statements.
- 15. SMW provided multiple costs for the same control number. We calculated a single weighted-average cost for that control number.
- 16. We adjusted the reported financial expense rate to include net foreign currency exchange gains and losses and short-term interest income recorded as non-operating items on SMW's financial statements.
- 17. We adjusted Solikamsk Desulphurizer Works' ("SZD") reported G&A expense rate to include certain non-operating income and expense items related to the general operations of the company.
- 18. We removed selling expenses for SZD which were incorrectly reported in the COP file.

**Final Determination Margins**

We determine that the following weighted-average dumping margins exist for the period January 1, 2003, through December 31, 2003:

Manufacturer/exporter	Weighted-average margin (percent)
JSC AVISMA Titanium-Magnesium Works .....	22.28
Solikamsk Magnesium Works .....	18.65
All Others .....	21.45

**Continuation of Suspension of Liquidation**

Pursuant to section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection ("CBP") to continue to suspend liquidation of all entries of magnesium from Russia that are entered, or withdrawn from warehouse, for consumption on or after October 4, 2004, the date of publication of the Preliminary Determination in the **Federal Register**. We will instruct CBP to continue to require, for each entry, a cash deposit or the posting of a bond equal to the weighted-average dumping margins indicated above. These instructions suspending liquidation will remain in effect until further notice.

**International Trade Commission Notification**

In accordance with section 735(d) of the Act, we have notified the U.S. International Trade Commission ("ITC") of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are materially injuring, or threatening material injury to, an industry in the United States. If the ITC determines that material injury, or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing CBP officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

**Notification Regarding Administrative Protective Order**

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(I)(1) of the Act.

Dated: February 16, 2005.  
**Joseph A. Spetrini,**  
*Acting Assistant Secretary for Import Administration.*

**Appendix—List of Issues Covered in the Decision Memorandum**

*Part I—General Issues*

- Comment 1: Scope of the Order—One or Two Classes or Kinds of Merchandise.
- Comment 2: Electricity Costs—Whether to Disregard or Adjust Reported Electricity Costs to Account for Distortions in the Russian Electricity Sector.
- Comment 3: Barter Sales.

*Part II—Avisma*

- Comment 4: Sales Through Bonded Warehouse.
- Comment 5: Model Matching of Certain Avisma Products.
- Comment 6: Constructed Export Price ("CEP") Offset.
- Comment 7: Payment Dates for Certain Home-Market Sales.
- Comment 8: By-Product Credit.
- Comment 9: Depreciation Expense.
- Comment 10: Non-Operating Income and Expenses.
- Comment 11: Interest on Affiliated Party Loan.
- Comment 12: Foreign Exchange Gains and Losses.

*Part III—SMW*

- Comment 13: Model Matching of Certain SMW Products.
- Comment 14: Date of Sale.
- Comment 15: Sales to the Russian Government Stockpile.
- Comment 16: Certain Selling Expenses on Sales to the Stockpile.
- Comment 17: Domestic Inventory Carrying Costs.
- Comment 18: Selling Expenses Reported in the Cost File.
- Comment 19: General and Administrative ("G&A") Expenses.
- Comment 20: Factory Overhead.
- Comment 21: By-Product Offset.
- Comment 22: Major Input.
- Comment 23: Weighted Average Per-Unit Cost.
- Comment 24: General and Administrative Expenses—Solikamsk Desulphurizer Works ("SZD").

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**DEPARTMENT OF COMMERCE**  
**International Trade Administration**  
**[A-583-816]**

**Notice of Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review: Certain Stainless Steel Butt-Weld Pipe Fittings from Taiwan**

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