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

[A-570-930]

**Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation**

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

**EFFECTIVE DATE:** February 26, 2008.

**FOR FURTHER INFORMATION CONTACT:** Melissa Blackledge, AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3518.

**SUPPLEMENTARY INFORMATION:****The Petition**

On January 30, 2008, the Department of Commerce ("Department") received a petition concerning imports of circular welded austenitic stainless pressure pipe from the People's Republic of China ("PRC") filed in proper form by Bristol Metals, L.P., Felker Brothers Corp., Marcegaglia USA Inc., Outokumpu Stainless Pipe, Inc. and United Steel Workers of America (collectively "Petitioners"). See Petition on Welded Stainless Pressure Pipe from the People's Republic of China, dated January 30, 2008 ("Petition"). In February 2008, the Department issued multiple requests for additional information, seeking clarification of certain areas of the Petition. Based on the Department's requests, Petitioners filed additional information on February 5 through February 13, 2008.

In accordance with section 732(b) of the Tariff Act of 1930, as amended ("Act"), Petitioners allege that imports of circular welded austenitic stainless pressure pipe from the PRC are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports are materially injuring, or threaten material injury to, an industry in the United States.

The Department finds that Petitioners filed this Petition on behalf of the

domestic industry because Petitioners are interested parties as defined in section 771(9)(C) and (D) of the Act, and have demonstrated sufficient industry support with respect to the antidumping duty investigation that Petitioners are requesting the Department initiate (see "Determination of Industry Support for the Petition" section below).

**Period of Investigation**

The period of investigation ("POI") is July 1 through December 31, 2007. See 19 CFR 351.204(b).

**Scope of Investigation**

The merchandise covered by this investigation is circular welded austenitic stainless pressure pipe ("CWASPP") not greater than 14 inches in outside diameter. This merchandise includes, but is not limited to, the American Society for Testing and Materials ("ASTM") A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications. ASTM A-358 products are only included when they are produced to meet ASTM A-312 or ASTM A-778 specifications, or comparable domestic or foreign specifications.

Excluded from the scope are: (1) welded stainless mechanical tubing, meeting ASTM A-554 or comparable domestic or foreign specifications; (2) boiler, heat exchanger, superheater, refining furnace, feedwater heater, and condenser tubing, meeting ASTM A-249, ASTM A-688 or comparable domestic or foreign specifications; and (3) specialized tubing, meeting ASTM A-269, ASTM A-270 or comparable domestic or foreign specifications.

The subject imports are normally classified in subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085 of the Harmonized Tariff Schedule of the United States ("HTSUS"). They may also enter under HTSUS subheadings 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

**Comments on Scope of Investigation**

During our review of the Petition, we discussed the scope with Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested

parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments within 20 days of signature of this notice. Comments should be addressed to Import Administration's Central Records Unit ("CRU"), Room 1117, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, attention Melissa Blackledge, room 3067. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determination.

#### Comments on Product Characteristics for Antidumping Duty Questionnaire

We are requesting comments from interested parties regarding the appropriate physical characteristics of CWASPP to be reported in response to the Department's antidumping questionnaire. This information will be used to identify the key physical characteristics of the subject merchandise in order for respondents to accurately report the relevant factors of production, as well as develop appropriate product reporting criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. For example, they may provide comments as to which characteristics are appropriate to use as general product characteristics and product reporting criteria. We note that it is not always appropriate to use all product characteristics as product reporting criteria. We base product reporting criteria on meaningful differences among products. While there may be some physical product characteristics which manufacturers use to describe CWASPP, it may be that only a select few product characteristics take into account meaningful physical characteristics. In order to consider the suggestions of interested parties in developing the antidumping duty questionnaire, we must receive comments at the above-referenced address by March 10, 2008. Rebuttal comments must be received within 10 calendar days of the receipt of timely filed comments.

#### Determination of Industry Support for the Petition

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the

petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission ("ITC"), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of

the information submitted on the record, we have determined that CWASPP constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, *see* the Antidumping Investigation Initiation Checklist: Circular Welded Austenitic Stainless Pressure Pipe from the PRC ("Initiation Checklist") at Attachment II (Industry Support) on file in the Central Records Unit, Room 1117 of the main Department of Commerce building.

In determining whether Petitioners have standing (*i.e.*, those domestic workers and producers supporting the Petition account for (1) at least 25 percent of the total production of the domestic like product and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition), we considered the industry support data contained in the Petition with reference to the domestic like product as defined in Attachment I to the Initiation Checklist (Scope of the Petition). To establish industry support, Petitioners provided their shipments for the domestic like product for the year 2007, and compared them to shipments of the domestic like product for the industry. In their supplement to the Petition, dated February 13, 2008, Petitioners demonstrated the correlation between shipments and production. *See* Petitioners' February 13, 2008, supplemental at 1 and Exhibit 1. Based on the fact that total industry production data for the domestic like product for 2007 is not reasonably available, and that Petitioners have established that shipments are a reasonable proxy for production data, we have relied upon shipment data for purposes of measuring industry support. For further discussion, *see* Initiation Checklist at Attachment II (Industry Support).

Our review of the data provided in the Petition, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). *See* Section 732(c)(4)(D) of the Act. Second, the domestic producers have met the statutory criteria for industry support under 732(c)(4)(A)(i) because the

domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product. Finally, the domestic producers have met the statutory criteria for industry support under 732(c)(4)(A)(ii) because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition. Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. See Initiation Checklist at Attachment II (Industry Support).

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) and (D) of the Act and it has demonstrated sufficient industry support with respect to the antidumping investigation that it is requesting the Department initiate. See Initiation Checklist at Attachment II (Industry Support).

#### **Allegations and Evidence of Material Injury and Causation**

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value ("NV"). Petitioners contend that the domestic industry's injured condition is illustrated by reduced market share, lost sales, reduced production, reduced capacity and capacity utilization rate, reduced shipments, underselling and price depressing and suppressing effects, lost revenue, reduced employment, decline in financial performance, and an increase in import penetration. We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. See Initiation Checklist at Attachment III (Injury).

#### **Allegation of Sales at Less Than Fair Value**

The following is a description of the allegation of sales at less than fair value upon which the Department based its decision to initiate this investigation of imports of CWASPP from the PRC. The sources of data for the deductions and adjustments relating to the U.S. price and the factors of production are also

discussed in the checklist. See Initiation Checklist. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we will reexamine the information and revise the margin calculations, if appropriate.

#### **Export Price**

Petitioners relied on eight prices obtained from U.S. distributors of CWASPP manufactured by PRC producers/exporters. The eight prices are for POI sales of CWASPP that falls within the scope of the Petition and include freight costs incurred to ship the merchandise from the PRC to the U.S. port. Petitioners deducted from the prices the costs associated with exporting and delivering the product to the customer in the United States, including international freight and handling, U.S. duty charges, and a trading company markup. Petitioners based international freight and handling and U.S. duty charges on the difference between the cost-freight-insurance and free-alongside-ship values for U.S. imports from the PRC under the HTSUS subheadings applicable to the subject merchandise. See Petition at 13-14 and Exhibit I-30 and Petitioners' February 13, 2008, supplemental at 1 and Exhibits 2 and 6. Petitioners calculated a trading company mark-up based on their own experience and knowledge of the industry. See Petition at Exhibit I-8 and Petitioners' February 5, 2008, supplemental at 1 and Exhibits 2 and 3.

#### **Normal Value**

In accordance with section 771(18)(C)(i) of the Act, the presumption of non-market economy ("NME") status remains in effect until revoked by the Department. Petitioners note that the Department has not revoked the NME status of the PRC, and thus they treated the PRC as an NME country for purposes of their Petition. In May 2006, the Department examined the PRC's market status and determined that NME status should continue for the PRC. See Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import Administration, Regarding The People's Republic of China Status as a Non-Market Economy, dated May 15, 2006 (this document is available online at <http://ia.ita.doc.gov/ia-news-2006.html>). This determination continues to be applied in the Department's NME antidumping proceedings. See, e.g., *Final Determination of Sales at Less Than Fair Value: Certain Activated Carbon from the People's Republic of China*, 72 FR 9508 (March 2, 2007), and *Final*

*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*, 72 FR 19690 (April 19, 2007). Because the presumption of NME status for the PRC has not been revoked by the Department it remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market-economy country in accordance with section 773(c) of the Act. After initiation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners selected India as the primary surrogate country arguing, pursuant to section 773(c)(4) of the Act, that India is an appropriate surrogate because it is a market-economy country that is at a level of economic development comparable to that of the PRC and is a significant producer of CWASPP. See Petition at 6-7. Based on the information provided by Petitioners, we find it appropriate to use India as a surrogate country for this initiation. After initiation, we will solicit comments regarding surrogate country selection.

Petitioners calculated NVs for each of the U.S. prices discussed above using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. Because the quantities of the factors of production that are consumed by Chinese companies in manufacturing CWASPP are not available to Petitioners, Petitioners calculated NVs using consumption rates experienced by a U.S. producer of CWASPP. See Petition at 7. Petitioners provided information, which they claim demonstrates that Chinese and U.S. companies use the same process to produce CWASPP. See Petitioners' February 5, 2008, supplemental at 3 and Exhibit 4 and Petitioners' February 13, 2008, supplemental at 2. Additionally, Petitioners provided an affidavit to support their use of U.S. production data. See Petition at Exhibit I-13 and Petitioners' February 5, 2008, supplemental at Exhibit 5. Petitioners valued the factors of production as noted below.

Petitioners valued stainless steel using POI world-prices from Management Engineering & Production Services ("MEPS"), an organization that they identified as a "leading source of pricing data in the stainless steel industry." According to Petitioners, it

would not be appropriate to value stainless steel using import prices from India, or any other potential surrogate country, because import statistics do not distinguish between basic stainless steel and the more expensive grades of stainless steel (grades 304 and 316) that were used to produce the merchandise for which Petitioners obtained U.S. price quotes. Petitioners claim that obtaining prices specific to grades 304 and 316 stainless steel is critical because these grades contain high concentrations of expensive alloys, such as nickel and molybdenum, and cost several times more than the cost of basic stainless steel. See Petition at 8–9 and Exhibit I–20. Moreover, Petitioners contend that it would not be appropriate to value stainless steel using Indian Average Unit Values (“AUVs”) because (1) news reports indicate that India primarily produces stainless steel with a low nickel content (*i.e.*, grades other than 304 and 316) and (2) the AUVs of hot-rolled stainless steel imported into India do not even reach the cost of the nickel and molybdenum contained in grades 304 and 316 stainless steel. See Petition at 8–11 and Exhibits I–14 through I–18 and Petitioners’ February 8, 2008, supplemental at 2–3 and Exhibit 1.

In response to the Department’s request to provide stainless steel prices from the other potential surrogate countries, Petitioners provided a domestic Indian company price quote that was obtained by their counsel. See Petitioners’ February 8, 2008, supplemental at 6 and Exhibit 5. Additionally, in supplements to the Petition, Petitioners valued stainless steel using the prices paid by one of the Petitioning firms. See Petitioners’ February 8, 2008, supplemental at 12 and Exhibit 10 and Petitioners’ February 13, 2008, supplemental at 4 and Exhibit 6.

When subject merchandise is exported from an NME country, section 773 (c)(1)(B) of the Act directs the Department to determine NV based on the value of factors of production in one or more market economy countries that are (1) at a level of economic development comparable to the NME country and (2) significant producers of merchandise comparable to subject merchandise (*i.e.*, surrogate countries). Petitioners have not provided a sufficient basis for the Department to depart from this approach. In contending that import statistics from surrogate countries, including India, should not be used to value stainless steel because they do not separately identify imports of grades 304 and 316 steel, Petitioners did not claim that

those steel grades were not imported into, or used in, the surrogate countries. The fact that import statistics may contain imports of materials other than the material that is being valued does not necessarily render those statistics inappropriate surrogate values. Moreover, although the Department requested that Petitioners provide stainless steel values from surrogate countries in addition to India, Petitioners did not do so, nor did they demonstrate that such values are distortive. See Petitioners’ February 8, 2008, supplemental at 5–6. With respect to the MEPS prices, we note that Petitioners did not (1) identify the countries from which the MEPS prices were derived, (2) demonstrate that MEPS data excludes prices that are not used in valuing factors of production (*e.g.*, prices from NME countries), and (3) demonstrate that MEPS prices are preferable to other sources of prices from multiple-countries. Finally, we do not find Petitioners’ costs to be an appropriate surrogate value in an NME case.

Thus, for initiation purposes, we have determined that Indian import statistics, which are the only surrogate country prices from public sources on the record of this proceeding, are the best information with which to value stainless steel. Therefore, in accordance with section 773(c)(1)(B) of the Act, we recalculated NVs and the dumping margins using stainless steel values derived from Indian import statistics for January 2007, through June 2007, which is the most recent data available. See Initiation Checklist at Attachment V. The Department excluded NME countries and adjusted the values by converting Indian rupees into U.S. dollars and inflating those to the POI values using the Indian wholesale price index (“WPI”) in the publication *International Financial Statistics* which is published by the International Monetary Fund.

Petitioners valued electricity using the Indian electricity rate as reported by the U.S. Energy Information Administration for the year 2000. See Petition at 12 and Exhibit I–27. We revised the U.S. dollar electricity rate calculated by Petitioners to correct errors that were made in converting Indian rupees into U.S. dollars and inflating the price.

Petitioners valued natural gas based on two articles “Govt. raises natural gas price by 20 pc,” dated July 20, 2006, and “Impact of June 2006 natural gas price hike,” dated July 2006. According to Petitioners, these articles indicate that the Indian government directive to increase the price of natural gas applies

to the Gas Authority of India Ltd. See Petition at 12–13 and Exhibit I–28 and Petitioners’ February 5, 2008, supplemental at 7 and Exhibit 7. We revised the gas price calculated by Petitioners to correct an error that was made in inflating the price.

Petitioners valued labor at \$0.83 per hour, which is the PRC wage rate listed on the Department’s website. See 19 CFR 351.408(c)(3) and the Petition at 13 and Exhibit I–33. The surrogates for electricity, gas, and labor are based on information reasonably available to Petitioners and are, therefore, acceptable for purposes of initiation.

Where a surrogate value was in effect during a period preceding the POI, Petitioners adjusted it using the Indian WPI in the publication *International Financial Statistics* which is published by the International Monetary Fund. See Petition at 12–13 and Exhibits I–27 and I–28.

Petitioners based factory overhead expenses, selling, general and administrative expenses, and profit on data for the fiscal year—ended March 31, 2007, from an Indian CWASPP producer, Suraj Stainless Ltd. See Petition at 13 and Exhibit I–29. We revised factory overhead expenses to correct errors made in calculating those expenses. See Initiation Checklist at Attachment V. We find that Petitioners’ use of this company’s information as surrogate financial data is appropriate for purposes of this initiation.

#### Fair Value Comparisons

Based on the data provided by Petitioners, as adjusted by the Department, there is reason to believe that imports of CWASPP from the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of export price to NV, calculated in accordance with section 773(c) of the Act, the estimated dumping margins for CWASPP range from 8.36 percent to 12.70 percent. See Initiation Checklist at Attachment V.

#### Initiation of Antidumping Investigation

Based upon the examination of the Petition on CWASPP from the PRC, the Department finds that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of CWASPP from the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

**Separate Rates**

In order to obtain separate-rate status in NME investigations, exporters and producers must 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) (“Separate Rates and Combination Rates Bulletin”), available on the Department’s website at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, which will be available on the Department’s website at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of publication of this initiation notice in the **Federal Register**. The separate-rate application will be due 60 days from publication of this initiation notice.

**NME Respondent Selection and Quantity and Value Questionnaire**

The Department will request quantity and value information from all known exporters identified in the Petition. The quantity and value data received from NME exporters will be used as the basis to select the mandatory respondents.

The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. See *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People’s Republic of China*, 70 FR 21996, 21999 (April 28, 2005); *Initiation of Antidumping Duty Investigations: Diamond Sawblades and Parts Thereof from the People’s Republic of China and the Republic of Korea*, 70 FR 35625, 35629 (June 21, 2005); and *Initiation of Antidumping Duty Investigation: Certain Activated Carbon from the People’s Republic of China*, 71 FR 16757, 16760 (April 4, 2006). Appendix I of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters and received by the

Department no later than March 12, 2008. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Import Administration website (<http://ia.ita.doc.gov>). The Department will send the quantity and value questionnaire to those PRC companies identified in Exhibit I-6 of the Petition.

**Use of Combination Rates in an NME Investigation**

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate Rates and Combination Rates Bulletin, 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. (Emphasis in original.)

See *Separate Rates and Combination Rates Bulletin* at 12.

**Distribution of Copies of the Petition**

In accordance with section 732(b)(3)(a) of the Act and 19 CFR

351.202(f), copies of the public version of the Petition have been provided to the representatives of the Government of the PRC. We will attempt to provide a copy of the public version of the Petition to the foreign producers/exporters, consistent with 19 CFR 351.203(c)(2).

**U.S. International Trade Commission Notification**

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

**Preliminary Determination by the International Trade Commission**

The ITC will preliminarily determine, no later than March 17, 2008, whether there is a reasonable indication that imports of CWASPP from the PRC are materially injuring, or threatening material injury to, the U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, this investigation will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: February 19, 2008.

**David M. Spooner**,  
*Assistant Secretary for Import Administration.*

**Appendix I**

Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Tariff Act of 1930 (as amended) permits us to investigate 1) a sample of exporters, producers or types of products that is statistically valid based on the information available at the time of selection, or 2) exporters and producers accounting for the largest volume and value of the subject merchandise that can reasonably be examined.

In the chart below, please provide the total quantity and total value of all your sales of merchandise covered by the scope of this investigation (See scope section of this notice), produced in the PRC and exported/shipped to the United States during the period July 1, 2007, through December 31, 2007.

Market	Total Quantity	Terms of Sale	Total Value
United States .....	.....	.....	.....
1. Export Price Sales .....	.....	.....	.....
2. ....	.....	.....	.....
a. Exporter name .....	.....	.....	.....
b. Address .....	.....	.....	.....
c. Contact .....	.....	.....	.....
d. Phone No. ....	.....	.....	.....
e. Fax No. ....	.....	.....	.....
3. Constructed Export Price Sales .....	.....	.....	.....
4. Further Manufactured Sales .....	.....	.....	.....

Market	Total Quantity	Terms of Sale	Total Value
Total Sales .....	.....	.....	.....

**Total Quantity:**

- Please report quantity on a metric ton basis. If any conversions were used, please provide the conversion formula and source.

**Terms of Sale:**

- Please report all sales on the same terms (e.g. free on board at port of export).

**Total Value:**

- All sales values should be reported in U.S. dollars. Please indicate any exchange rates used and their respective sources.

**Export Price Sales:**

- Generally, a U.S. sale is classified as an export price when the first sale to an unaffiliated customer occurs before importation into the United States.
- Please include any sales exported by your company directly to the United States.
- Please include any sales exported by your company to a third-market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please **do not** include any sales of merchandise manufactured in Hong Kong in your figures.

**Constructed Export Price Sales:**

- Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated customer occurs after importation. However, if the first sale to the unaffiliated customer is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.
- Please include any sales exported by your company directly to the United States.
- Please include any sales exported by your company to a third-market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.

- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please **do not** include any sales of merchandise manufactured in Hong Kong in your figures.

**Further Manufactured Sales:**

- Sales of further manufactured or assembled (including re-packaged) merchandise is merchandise that undergoes further manufacture or assembly in the United States before being sold to the first unaffiliated customer.
- Further manufacture or assembly costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expense, interest expense and additional packing expense incurred in the country of further manufacture, as well as all costs involved in moving the product from the U.S. port of entry to the further manufacturer.

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