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November 7, 2011

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Import Administration

FROM: Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

CASE: Frontseating Service Valves from the People's Republic of China

SUBJECT: Issues and Decision Memorandum for the Final Results of the
2008-2010 Administrative Review

SUMMARY:

On May 9, 2011, the Department published its *Preliminary Results* in the antidumping duty administrative review of frontseating service valves from the People's Republic of China. On June 7 and June 8, 2011, Sanhua and DunAn, respectively, requested a hearing for issues raised in the case and rebuttal briefs.

On June 21, 2011, all parties (Petitioner, DunAn and Sanhua) submitted publicly available surrogate value data to value TMI's factors of production. On July 11, 2011, DunAn and Sanhua submitted rebuttal comments on the June 21, 2011, submissions. On July 19, 2011, the Department re-opened the record to place additional wage rate information on the record for consideration in the final results, and requested parties to provide comments on that data. None of the parties provided comments on the Department's wage rate data. We received the case briefs from Petitioner, DunAn and Sanhua on August 16, 2011, and rebuttal briefs on August 22, 2010.

On August 24, 2011, the Department extended the deadline for the final results of review to November 7, 2011. On September 8, 2011, DunAn and Sanhua each withdrew their request for a hearing. Below is the complete list of the issues for which we received comments from interested parties. Following our discussion of the issues are short cite tables, respectively, for: (1) acronyms and abbreviations; (2) litigation; (3) *Federal Register* notices; and, (4) unpublished



letters, submissions and memorandum. All short cites are alphabetized by short cite in their respective lists.

Issues for the Final Results

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DISCUSSION OF THE ISSUES

Surrogate Values

Comment 1: Selection of Surrogate Financial Statements

- Parties to the proceeding placed nine audited financial statements on the record of this review for consideration as the source of surrogate financial ratios prior to the preliminary results: (1) the 2008-2009 financial statements of Triton Valves; (2-5) the 2008-2009 and 2009-2010 financial statements of Gujarat Foils and Siddhi Cast; and, (6-9) the 2009-2010 financial statements of Nissan Copper, Pyrocast, Rane Engine Valve and Sundram Fasteners. In the *Preliminary Results*, we determined the surrogate financial ratios using the 2009-2010 financial statements of Siddhi Cast and Pyrocast.
- Petitioner placed the 2009 -2010 financial statements of an additional seventeen companies on the record after the *Preliminary Results*, and Sanhua placed one. These companies are: Bay Forge, Creative Castings, Hilton Metal Forging, Investment and Precision Castings, PTC Industries, Steel and Industrial Forgings, Steelcast, Upper India Special Castings, Anup Malleables, Kartik Steels, Nandina Iron & Steels, National General, Oswal Industries, Pioneer Alloy Castings, Rapsri Engineering, RRL Steels, Shree Sponge, and Tamboli Castings.
- Parties to the proceeding made the following arguments concerning the selection with respect to the 27 surrogate financial statements on the record of this review:

Pyrocast

- Petitioner argues that the Department should reject Pyrocast as a surrogate producer because:
 - Pyrocast’s 2009-2010 financial statements identify its products as “forgings,” do not mention “valves,” and do not indicate that its products were machined.
 - Pyrocast’s financial statements indicate that only 14 percent of its raw material consumption is of brass rod.
 - One cannot infer that Pyrocast produced valves because one should interpret its website to mean only that Pyrocast was willing to produce (or resell) brass valves – not that it actually produced such items.
 - Pyrocast’s financial statements are illegible in many instances, and include raw material consumption figures written by hand.

- DunAn and Sanhua argue that the Department should limit the pool of available companies to those that produce merchandise by means of a forging and machining process, which they claim is similar to the process used to produce subject merchandise. They further claim that Pyrocast is the only surrogate financial producer that uses a forging and machining process rather than a casting and machining process to produce brass forgings, including valves, and should be the only producer used to establish the surrogate financial ratios in the final results of this review. DunAn and Sanhua claim that:
 - Pyrocast’s financial statements indicate that it produces “brass forgings.” Its website further clarifies “valves” and shows pictures of valves that appear to be very similar to subject merchandise
 - Pyrocast’s financial statements are contemporaneous, complete, legible and the company did not receive any benefits the Department has previously determined to be countervailable.

Siddhi Cast

- Petitioner and DunAn both argue that none of the evidence on the record indicates that Siddhi Cast produces brass products.

Triton Valves, Rane Engine Valve, Rapsri Engineering and Oswal Industries

- Petitioner argues that the Department should consider using the surrogate financial statements of Triton Valves, Rane Engine Valve and Oswal Industries because they produce valves. Petitioner argues that Triton Valves’ automobile-type and tube valves, Rane Engine Valve’s inlet valves, exhaust valves and valve guides for internal combustion engines, and Oswal Industries’ metal valves are all comparable to the subject merchandise. In addition, Petitioner claims that Rapsri Engineering’s main product, castings, are comparable to the subject merchandise, because they are made of copper and copper-based alloys.
- DunAn and Sanhua argue that the Department should reject the financial statements of Triton Valve, Rane Engine Valve and Oswal Industries for the final results because brass and steel are not in the same class of materials and, therefore, have different technical specifications. As a consequence, they maintain, the overhead ratio of steel-component producers is vastly different than the overhead ratio of brass-component producers so that the financial statements of the steel-component producers are not representative of the respondents’ production process. DunAn and Sanhua contend that the Department should reject Rapsri Engineering’s financial statements because Rapsri Engineering produces ferrous and non-ferrous machined and un-machined castings, which, by definition, they claim, cover a broad range of products. DunAn and Sanhua claim further that Rapsri Engineering does not use brass and/or a forging process during production. DunAn claims further that Rapsri Engineering does not produce valves. Sanhua states

that Rapsri Engineering's raw materials are similar to brass, but the production process is different.

Anup Malleables, Bay Forge, Creative Castings, Hilton Metal Forging, Investment and Precision Castings, Kartik Steels, Nandina Iron & Steels, National General, Pioneer Alloy Castings, PTC Industries, RRL Steels, Shree Sponge, Steel and Industrial Forgings, Steelcast, Tamboli Castings, and Upper India Special Castings

- Petitioner claims that if the Department continues to regard Siddhi Cast or Pyrocast as surrogate producers, it must also take into account the financial statements of the following companies: Anup Malleables, Bay Forge, Creative Castings, Hilton Metal Forging, Investment and Precision Castings, Kartik Steels, Nandina Iron & Steels, Pioneer Alloy Castings, PTC Industries, RRL Steels, Shree Sponge, Steel and Industrial Forgings, Steelcast, Tamboli Castings, and Upper India Special Castings. Petitioner argues that these companies:
 - Manufacture products that are as comparable to the subject merchandise as the products produced by Siddhi Cast and Pyrocast, and, for the most part, include valves in their product lines.
 - Manufacture products using materials that include copper-based alloys, alloy steel and/or stainless steel. Petitioner claims that, although these metals are not the same as brass or copper-based alloys, they are nevertheless metal and, thus, are still reasonably comparable to brass.
- DunAn argues that the Department should reject the financial statements of these additional companies because these companies use steel as the primary raw material input, and use casting operations to produce the finished product. DunAn argues that:
 - Brass and steel are different types of metals; that brass is more expensive and exhibits a higher metal-removal rate than steel, but can be more easily and inexpensively machined into components. DunAn contends that steel is harder than brass, more difficult to machine and is used for structural applications rather than components. As a consequence, DunAn contends that the financial ratios of steel-component producers are not representative of the respondents in this review.
 - Brass is suitable for cryogenic (*i.e.*, air conditioning) applications, whereas steel is not.
 - Forging and casting are fundamentally different manufacturing processes and the financial ratios for a producer of cast components cannot replicate the production experience of a forging producer like DunAn.
- DunAn also maintains that 12 of these companies do not produce valves: Tamboli Castings, Pioneer Alloy, Anup, Kartik Steels, RRL Steels, National General, Bay Forge,

Shree Sponge, Rapsri Engineering, Hilton Metal Forging, Steel and Industrial Forgings, PTC Industries.

- DunAn and Sanhua argue that the Department should disregard 15 of Petitioners' suggested companies (Anup Malleables, Bay Forge, Kartik Steels, RRL Steels, Steelcast, Shree Sponge, Investment and Precision Castings, Steel and Industrial Forgings, Nandina Iron & Steels, Pioneer Alloy Castings, PTC Industries, Hilton Metal Forging, Creative Castings, Tamboli Castings and Upper India Special Castings) because these companies either do not produce valves, use brass in their production process, or use a forging process. DunAn and Sanhua argue, rather, that these companies cast and machine components made of materials such as steel, steel plate, mild steel, mild steel scrap, aluminum, pig iron, iron, iron scrap, ferro-alloys, ferro-scrap, titanium, magnesium, and metal scrap, which DunAn and Sanhua maintain are not comparable to brass.
- DunAn and Sanhua argue that eleven of these companies received subsidies the Department previously found to be countervailable: (1) DEPB program (Creative Castings, Hilton Metal Forging, Investment and Precision Castings, Steelcast, Upper India Special Castings, Steel and Industrial Forgings and PTC Industries); (2) Export Promotion Capital Goods Scheme (Bay Forge); (3) Export Incentives (Oswal); (4) Duty Drawback and Export Related Benefits, Packing Credit Loan (Rapsri Engineering); and, (5) State Subsidy (Shree Sponge).
- DunAn contends that Oswal Industries received multiple subsidies including export incentives¹, an interest subsidy and a government subsidy. DunAn also contends that the Department should not use the financial statements of Rapsri Engineering because it received subsidies entitled "duty drawback and export related benefits," or the financial statements of Shree Sponge because it received a subsidy entitled "state subsidy." Citing the Department's "Electronic Subsidies Enforcement Library, Subsidy Programs Investigated by DOC,"² Sanhua also notes that Rapsri Engineering received benefits that the Department previously determined to be countervailable in the form of packing credits.

Department's Position: In selecting financial statements for purposes of calculating financial ratios, the Department's policy is to use data from ME surrogate companies based on the "specificity, contemporaneity, and quality of the data."³ In accordance with 19 CFR 351.408(c)(4), the Department normally will use non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country to value

¹ DunAn cites *Pure Magnesium/PRC AD Final* (December 16, 2008) and accompanying Issues and Decision Memorandum at Comment 6A and *CVP/23/PRC AD Final* (June 28, 2010) and accompanying Issues and Decision Memorandum at Comment 1 to support its contention that the Department has previously found export incentives to be countervailable.

² See <http://ia.ita.doc.gov/esel/main-default.html>.

³ See e.g., *Pure Magnesium/PRC AD Final* (December 23, 2010) and accompanying Issues and Decision Memorandum at Comment 2; and *Lined Paper/PRC AD Final* (September 8, 2006) and accompanying Issues and Decision Memorandum at Comment 1.

manufacturing overhead, general expenses, and profit.⁴ Although the regulation does not define what constitutes “comparable merchandise,” it is the Department’s practice to, where appropriate, apply a three-prong test that considers the: (1) physical characteristics; (2) end uses; and (3) production process.⁵ For purposes of selecting surrogate producers, the Department examines how similar a proposed surrogate producer’s production experience is to the NME producer’s.⁶ The Department, however, is not required to “duplicate the exact production experience of” an NME producer, nor must it undertake “an item-by-item analysis in calculating factory overhead.”⁷ While the Department generally prefers to rely on more than one surrogate financial statement, in light of parties’ arguments, after examining the 27 financial statements on the record of this review, we have determined that the financial statements of a single company, Pyrocast, represent the best information available for calculating surrogate financial ratios for the final results of review.

We are not relying on the following financial statements for use as surrogate financial ratios in the final results because the companies do not produce identical or comparable merchandise; *i.e.*, they do not produce brass valves or consume brass as a significant input in their production:

- **Nissan Copper, Gujarat Foils (2008-2009 and 2009-2010 financial statements), Sundram Fasteners, Siddhi Cast (2008-2009 financial statements):** We rejected these companies in the *Preliminary Results* because they did not produce merchandise that is identical or comparable to subject merchandise.⁸ None of the parties to the proceeding placed any information or argument on the record concerning these companies subsequent to the *Preliminary Results*. Consequently, we have not reconsidered our preliminary determination to exclude these companies from the determination of the surrogate financial ratios and have not used them for the final results of this review.
- **Siddhi Cast (2009-2010 financial statements):** Petitioner and DunAn argue that none of the evidence on the record indicates that Siddhi Cast produces brass products.⁹ Since the *Preliminary Results*, Petitioner placed on the record a copy of Siddhi Cast’s website, which was not known to the Department prior to the *Preliminary Results*.¹⁰ Siddhi Cast’s website identifies the grades of steel from which Siddhi Cast makes its products

⁴ See *Shrimp/PRC AD Final* (September 12, 2007) and accompanying Issues and Decision Memorandum at Comment 2.

⁵ See *Woven Electric Blankets/PRC AD Final* (July 2, 2010) and accompanying Issues and Decision Memorandum at Comment 2; *Pencils/PRC AD Final* (July 25, 2002) and accompanying Issues and Decision Memorandum at Comment at Comment 5.

⁶ See *OCTG/PRC AD Final* (April 19, 2010) and accompanying Issues and Decision Memorandum at Comment 13.

⁷ See, *id.* at Comment 13, citing *Nation Ford* (Fed. Cir. 1999) at 1377 and *Magnesium Corp.* (Fed. Cir. 1999) at 1372.

⁸ See *Preliminary Results*, 76 FR at 26692.

⁹ We placed a memorandum to the file on the record showing that valves were among the cast products that Siddhi Cast offered for sale on the IndiaMart website: <http://www.indiamart.com/siddhi-cast-pvtltd/>. However, due to a scanning error, the page on which we based that determination was inadvertently omitted from the memorandum. We have since placed that information on the record and received comments from the parties. See *Siddhi Cast Produces Valves*.

¹⁰ See Petitioner’s Post-Preliminary Surrogate Value Submission at Attachment 2, Website Excerpts.

but does not identify brass as an input.¹¹ Furthermore, the products that Siddhi Cast offers on its own website do not include valves.¹² As a result, neither the information contained in the Siddhi Cast audited financial statements or on its website indicate that Siddhi Cast produces valves or consumes brass. Consequently, we have reversed our determination in the *Preliminary Results* with respect to Siddhi Cast and have rejected the use of its financial statements for the purposes of determining the surrogate financial ratios for the final results as the record indicates that it does not produce identical or comparable merchandise to that under review.

- **Triton Valves, Rapsri Engineering and Oswal Industries:**

We rejected the use of Triton Valves' financial statements in the *Preliminary Results* because Triton Valves produces valve cores and tire-tube valves,¹³ which are either inputs to the subject merchandise (valve cores) or similar to the valves used as inputs for the subject merchandise (tire-tube valves).¹⁴ Specifically, Petitioner merely reasserts that Triton Valves' tire-tube valves are comparable without addressing the Department's reasons for rejecting these statements in the *Preliminary Results*. Thus, none of the information or argument placed on the record since the *Preliminary Results* contradicts the basis on which we made our determination in the *Preliminary Results* with respect to Triton Valves. Specifically, Petitioner merely reasserts that Triton Valves' tire-tube valves are comparable without addressing the Department's reasons for rejecting these statements in the *Preliminary Results*. Therefore, for the final results, we have not included the financial statements of Triton Valves and Rane Engine Valve in the determination of the surrogate financial ratios.

We disagree with Petitioner's contention that Rapsri Engineering's financial statements represent the respondents' production experience because Rapsri Engineering's main product, castings, are comparable to subject merchandise, and its main raw material inputs, copper and copper-based alloys, are comparable to the inputs used in the subject merchandise. Petitioner placed no information or evidence on the record in support of these statements. Therefore, because: 1) there is no evidence that Rapsri Engineering uses brass or produces valves in its production process; 2) Petitioner has provided no information to support its claim that copper and copper-based alloys are comparable to brass; and 3) we have a useable financial statement on the record, we are not relying on Rapsri Engineering's financial statements for use in the determination of the surrogate financial ratios for the final results of review.¹⁵

¹¹ *Id.*

¹² *Id.*

¹³ *See id.*, 76 FR at 26693.

¹⁴ *Id.*

¹⁵ With regard to the arguments regarding Rapsri's receipt of subsidies, the information on the record does not support a finding that Rapsri Engineering received benefits that the Department previously determined to be countervailable for duty drawback and export related benefits and/or a packing credit loan, as DunAn and Sanhua have argued. We have explained in previous cases that we do not reject financial statements for references to specific subsidy programs we have not previously found to be countervailable, or references to subsidies where there is insufficient information on the record regarding the subsidy program to determine what the specific program is or

We also disagree with Petitioner's contention that Oswal Industries' financial statements are representative of respondents' production experience because the vast majority of Oswal Industries' production, including captive consumption, is of metal valves. Although Petitioner claims that metal valves are not "vastly different" from the subject merchandise, it placed no information or evidence on the record to support this claim, or its similar claim that because Oswal Industries' products include brass/copper tubes, "it is reasonable to infer that the category of inputs entitled 'casting bars and others' includes at least some brass." An examination of the record reveals that Oswal Industries produces metal valves, uses steel and mild steel as its primary raw material input, and consumes only an insignificant amount of brass in its production process.¹⁶ In addition, respondents placed numerous technical articles on the record showing that brass is more malleable than steel, more easily machined than steel, and consequently, the costs of machining brass are far lower than the cost of machining steel.¹⁷ Therefore, we find that the evidence on the record does not support Petitioner's claim that Oswal Industries' experience is comparable to or representative of that of the respondents in this case. Accordingly, we have determined not to use Oswal Industries' financial statements for the purposes of determining the surrogate financial ratios for the final results.¹⁸

such that we could determine whether or not we have previously found it to be countervailable. *See, e.g., PET Film/PRC AD Final* (September 24, 2008) and accompanying Issues and Decision Memorandum at Comment 3; *OTR Tires/PRC AD Final* (July 15, 2008) and accompanying Issues and Decision Memorandum at Comment 17.A. For example, *see* the discussion below with regard to *Magnesium Metal/PRC AD Final* (07/14/2008). *See id.* Nevertheless, we are disregarding Rapsri Engineering's financial statements for other reasons, as discussed above.

¹⁶ *See* Petitioner's Post-Preliminary Surrogate Value Submission at Attachment 2, Oswal Industries Limited 2009-2010, at Schedule 14B.

¹⁷ *See* DunAn's Post-Preliminary Surrogate Value Rebuttal Submission at Exhibit 2 and Sanhua's Post-Preliminary Surrogate Value Rebuttal Submission at RSVFR-1.

¹⁸ With regard to DunAn's and Sanhua's contention that the Department determined in *Pure Magnesium/PRC AD Final* (December 16, 2008) and accompanying Issues and Decision Memorandum at Comment 6A; *CVP-23/PRC AD Final* (June 28, 2010) and accompanying Issues and Decision Memorandum at Comment 1 that Oswal's export incentives had previously been found to be countervailable, we disagree. First, in *Pure Magnesium/PRC AD Final* (December 16, 2008) and accompanying Issues and Decision Memorandum at Comment 6A, the potential surrogate financial statements referred to specific export programs which the Department was able to determine it had previously found to be countervailable. For example, *Pure Magnesium/PRC AD Final* (December 16, 2008) and accompanying Issues and Decision Memorandum at Comment 6A, cites to *Magnesium Metal/PRC AD Final* (07/14/2008) and accompanying Issues and Decision Memorandum at Comment 3, where we stated that the "three companies' financial statements identify the receipt of "export and other incentives" or "export incentives" (*i.e.*, "EPCG Scheme", "DEPB Premium", and "Advance License") in the line items "Operating Revenues" or "Other Income." India's EPCG, DEPB, and Advanced License schemes have been found by the Department to each provide a countervailable subsidy. *See Pure Magnesium/PRC AD Final* (December 16, 2008) and accompanying Issues and Decision Memorandum at Comment 6A, *citing Magnesium Metal/PRC AD Final* (07/14/2008) and accompanying Issues and Decision Memorandum at Comment 3. Second, *CVP-23/PRC AD Final* (June 28, 2010) and accompanying Issues and Decision Memorandum at Comment 1, notes that despite the fact that the surrogate company's financial statements "reference export incentives and the fact that there is a countervailing duty cash deposit rate in effect for" the surrogate company, we were not rejecting the financial statement because it represented the only surrogate financial statement on the record of that proceeding. We did not address any specific findings with regard to general export incentives as referenced in the surrogate financial statements. *See CVP-23/PRC AD Final* (June 28, 2010) and accompanying Issues and Decision Memorandum at Comment 1. *See also OCTG/PRC AD Final* (April 19, 2010) and accompanying Issues and Decision Memorandum at Comment 13 for a discussion of our determination to use financial statements that indicated the presence of specific and known countervailable subsidies. Therefore, we find DunAn's reference to the Department's treatment of export subsidies in *CVP-23/PRC AD Final* (June 28, 2010) to be inapposite.

- **Anup Malleables, Kartik Steels, Nandina Iron and Steels, National General, Pioneer Alloy Castings, RRL Steels, Shree Sponge, and Tamboli Castings:** We have determined to exclude these companies from the determination of the surrogate financial ratios because an examination of the record reveals that there is no evidence that these companies produce valves or consume brass as a raw material input in their production process. Petitioner made no specific arguments with respect to these companies, but included them in the following general, and unsupported, claims for using all 17 of the financial statements that it placed on the record after the *Preliminary Results* of review: (1) for the most part, the product lines include valves; (2) some companies manufacture products using copper or copper-based alloys; and (3) some materials, such as alloy steel and stainless steel, while not the same as brass or copper-based alloys, are nevertheless metal, and are reasonably “comparable” to brass. DunAn and Sanhua, in contrast, provided evidence on the record that demonstrates that brass and steel are very different materials and that the conversion costs for machining steel are much higher than brass, indicating that these companies do not represent producers of comparable merchandise.^{19,20}

We have determined not to rely on the 2009-2010 financial statements of these nine companies because the Department has a well-established practice of disregarding financial statements where there is evidence that the company received subsidies that the Department has previously found to be countervailable, and where there are other sufficient reliable and representative data on the record for purposes of calculating the surrogate financial ratios.²¹

- **Bay Forge, Creative Castings, Hilton Metal Forging, Investment and Precision Castings, PTC Industries, Rane Engine Valve, Steel and Industrial Forgings, Steelcast, Upper India Special Castings:** Evidence on the record shows that Creative Castings, Hilton Metal Forging, Investment and Precision Castings, Steelcast, Upper India Special Castings, Steel and Industrial Forgings and PTC Industries received benefits under the DEPB program which the Department has previously determined to be countervailable.^{22,23} Record evidence shows that Bay Forge received benefits under the

¹⁹ See, e.g., DunAn’s Post-Preliminary Surrogate Value Rebuttal Submission, at Exhibits 2A – 2E. See also Sanhua’s Post-Preliminary Surrogate Value Rebuttal Submission.

²⁰ With regard to DunAn and Sanhua’s allegation that we should not rely on Shree Sponge’s financial statement because the company received a State Subsidy, we do not agree. As already stated, we do not disregard potential surrogate financial statements for a company’s receipt of a program we have not previously found to be countervailable or where the reference to the subsidy is so vague we cannot identify the program. See e.g., discussion above with regard to Oswal and Rapsri Engineering. Nevertheless, we are disregarding Shree Sponge’s statements for the reasons discussed above.

²¹ See, e.g., *Steel Nails/PRC AD Final* (June 17, 2010) and accompanying Issues and Decision Memorandum at Comment 4; *OTR Tires/PRC AD Final* (July 15, 2008) and accompanying Issues and Decision Memorandum at Comment 17.A.

²² See Petitioner’s Post-Preliminary Surrogate Value Submission at Exhibit 2 for the financial statements of the following companies: (1) Creative Castings Ltd. 2009-2010, at 15 and 18; (2) Hilton Metal Forging Ltd 2009-2010, at 29; (3) Investment and Precision Castings Ltd., at 31; (4) Steelcast Limited, at 30 and 31; (5) Upper India Special Castings Ltd. 2009-2010, at income statement; (6) Steel and Industrial Forgings Ltd. 2009-2010, at 17; and (7) PTC Industries Limited 2009-2010, at 24 and 30.

EPCGS,²⁴ which the Department has previously found to be countervailable.²⁵ Rane Engine Valve received a Capital Subsidy,²⁶ which the Department has previously found to be countervailable.^{27,28,29} Because these companies received subsidies that the Department has previously determined to be countervailable, we have determined not to rely on their financial statements when there are other sufficient reliable data available for purposes of calculating financial ratios.

Therefore, for the final results, we have determined to use the financial statements of the final remaining company, Pyrocast, as the basis for determining the surrogate financial ratios for the final results of review. Pyrocast earned a profit, and there is no record evidence to indicate that it received benefits that the Department has a basis to believe or suspect to be countervailable. Further, its audited financial statements are complete and are sufficiently detailed to disaggregate materials, labor, overhead, and SG&A expenses. We disagree with Petitioner's contention that Pyrocast's 14-percent brass-rod consumption rate disqualifies it as a producer of comparable merchandise. First, Pyrocast is the only producer, other than Oswal Industries,³⁰ that consumes brass, and the only one that has a significant brass consumption rate. Moreover, we have previously found financial statements to be representative of a producer's production experience, despite the fact that production of identical or comparable merchandise accounts for relatively small percentages of the surrogate producer's overall production.³¹ This is particularly compelling where, as in this case, no other producer consumes significant quantities of brass or produces comparable merchandise. In addition, despite Petitioner's claims to the contrary,

²³ For DEPB Premium, *see, e.g., Iron Metal Castings/India CVD Prelim* (November 12, 1999) (unchanged in final results); *Iron Metal Castings/India CVD Final* (May 18, 2000) and accompanying Issues and Decision Memorandum at Comment I.G.

²⁴ *See* Petitioner's Post-Preliminary Surrogate Value Submission at Attachment 2, Bay Forge Limited 2009, at Schedule 16.

²⁵ For EPCG licenses, *see, e.g., Hot-Rolled Carbon Steel Flat Products /PRC* (July 26, 2010) IDM at Comment II.2.

²⁶ *See* Petitioner's Rebuttal Surrogate Value Submission at Attachment 2, Schedule B at 24.

²⁷ *See Activated Carbon/PRC AD Prelim* (April 29, 2011) at 76 FR 23988. *See also PET Film/India CVD Final* (February 13, 2006) at 71 FR 7543.

²⁸ Discussion of Rane Engine Valve.

²⁹ We rejected the use of Rane Engine Valve's in the *Preliminary Results* because Rane Engine Valve produces engine valves which are made of martensitic and austenitic grades of valve steel, cast iron, chilled cast iron or cold forgings rather than brass, and thus are not comparable to the subject merchandise;²⁹ None of the information or argument placed on the record since the *Preliminary Results* contradicts the basis on which we made our determination in the *Preliminary Results* with respect to Rane Engine Valve. Specifically, Petitioner merely reasserts that Rane Engine Valve's iron and steel valves are comparable without addressing the Department's reasons for rejecting these statements in the *Preliminary Results*. Therefore, for the final results, we have not included the financial statements of Rane Engine Valve in the determination of the surrogate financial ratios.

³⁰ We note that Petitioner also argues, in apparent contradiction to its instant argument, that Oswal Industries' 0.33-percent brass consumption rate is adequate to establish it as a producer of comparable merchandise. We disagree with that contention, as discussed above.

³¹ *See Steel Nails/PRC AD Final* (June 16, 2008) and accompanying Issues and Decision Memorandum at Comment 11; citing *Persulfates/PRC AD Final* (12/05/2003) and accompanying Issues and Decision Memorandum at Comment 1, and *Aspirin/PRC AD Final* (May 25, 2000) at Comment 4.

Pyrocast's website shows that it produces valves which are similar to the subject merchandise.³² We also disagree with Petitioner's contentions that Pyrocast's financial statements are illegible. As DunAn noted in its rebuttal brief, Petitioner did not point to any specific instance where Pyrocast's financial statements were illegible and we were not able to detect any illegible figures. Nor have we been able to detect any figures written by hand other than signatures and their corollary dates. As a consequence, we have determined that Pyrocast's financial statements represent the best information available to determine the surrogate financial ratios for the final results of review, and we have recalculated our ratios accordingly. *See* the Final Factor Valuation Memorandum.

Comment 2: Surrogate Value Data Source for Brass Bar

- Sanhua argues that the Department should use IMW data to calculate the SV for brass bar and rod because it represents the the type of brass Sanhua consumed to produce subject merchandise. Furthermore, Sanhua argues that if the Department does not use IMW data to value brass bar it should in the alternative use LME data to value brass bar because it is a relevant world price and is contemporaneous with the POR.
- Petitioner claims that the IMW data cover prices for brass scrap, not brass bar. The source of the data is "Scrapindex.com," the merchandise is described as "copper, brass and bronze alloyed metal," and prices are for "sorted and prepared materials." Furthermore, Petitioners contend that information on the record does not demonstrate that the IMW data are product specific, representative of broad market averages, free of taxes and import duties, and prices may differ according to geographic locations. Moreover, Petitioners claim that the LME data are not specific to India, which is the surrogate country in this review.

Department's Position: For the final results we will continue to value brass bar using GTA data for India. In selecting the SVs, consistent with our past practice, we considered the quality, specificity, and contemporaneity of the data.³³ In selecting the "best available information for surrogate values," in accordance with section 773(c)(1) of the Act, we considered whether the information was: publicly available; product-specific; representative of broad market average prices; contemporaneous with the POR; and free of taxes.³⁴ GTA data are contemporaneous, publicly available, product-specific and representative of broad market average prices. We are not using IMW data or LME data to value brass bar for the reasons stated below.

We agree with Petitioner that the IMW data cover prices for scrap as indicated by various notations in the data, submitted as Exhibit SVFR-3 in Sanhua's Post-Preliminary Surrogate

³² *See* Memorandum to the File, "Frontseating Service Valves from the People's Republic of China: Information from the Web Indicating that Pyrocast India Private Ltd. ("Pyrocast") and Siddhi Cast Private Ltd. ("Siddhi Cast") Produce Valves," dated April 11, 2011, at Attachment I.

³³ *See, e.g., FMTC/PRC AD Final* (December 11, 2006), and accompanying Issues and Decision Memorandum at Comment 9.

³⁴ *See, e.g., Shrimp/Vietnam Prelim* (July 16, 2004) at 42682, unchanged in *Shrimp/Vietnam Final* (December 8, 2004). *See also Artist Canvas/PRC Final* (March 30, 2006), and accompanying Issues and Decision Memorandum at Comment 2.

Value Submission. Price data were submitted for each month of the POR, *i.e.*, from October 2008 through March 2010. Data for all months include the following notations indicating that the data cover scrap: “Must be free of non-metallic materials . . .,” “Source: Scrapindex.com,” and “. . . prices refer to sorted and prepared materials . . .” Further, there are no statements, specifications, notations or indications on the record that the data cover prices for brass bar. Moreover, there is no information on the record demonstrating that the IMW data are product specific, representative of broad market averages, or are free of taxes and import duties in accordance with the Department’s preferences. In addition, there is no indication on the record as to whether prices are domestic or import prices. Thus, the Department is unable to determine whether the data is the best available information. For example, if the data is domestic, the Department is unable to determine whether it is country-wide, region-specific or limited in some other way. Or, if the data covers imports, the Department is unable to exclude import data from NME countries and countries that provide generally available export subsidies in accordance with its normal practice.

We agree with Petitioner that the LME data are not an appropriate basis on which to value brass bar. A review of the LME data, submitted in Sanhua’s Surrogate Value Submission at Exhibit SV-4, reveals that the data do not cover prices for brass. The summary worksheet included in the exhibit includes three columns with headers “Month,” “Copper,” and “Zinc,” which show monthly prices for copper and zinc only. There is no price data for brass, the material input at issue, in any form for any period in the worksheet or in the underlying raw commodity price data. While copper and zinc are among the material inputs used to produce brass, valuing these two inputs would not result in a surrogate value approximating finished brass because it would not include all costs incurred to produce brass. Further, the Department normally will value all factors in a single surrogate country if reliable data meeting the Departments criteria are available from that country, and, in this case, we do have such data while the LME data are not specific to the surrogate country in this case, India. *See* 19 CFR 351.408(c)(2).

Comment 3: Whether to Include French Import Data to Value Brass Bar

- DunAn argues that the Department continues to rely on the GTA data, it should exclude import data covering imports from France classified as brass bar and reported in HTS category 7407.21.10 because Infodrive data show that all imports from France are not brass bar but are: (1) Nickel Copper/Monel 400/Niclal 400; (2) Copper Bar, and (3) Aircraft Raw Material for Defense Use made of copper alloy.
- Petitioner contends that the Department examined similar issues in the underlying investigation of FSVs and found that “...the Infodrive data contain insufficient product information in the description of the line items to enable the Department to make a definitive determination that these line items are misclassified.” Furthermore, Petitioners claim that the Infodrive and GTA data are inconsistent. Petitioner argues that the Infodrive India data reflect imports of 19.7 million Rupees versus 17 million Rupees recorded in official Indian government statistics as reported by the GTA.

Department's Position: For the final results the Department will continue to include import data covering imports from France classified as brass bar and reported in HTS category 7407.21.10 in its calculation of the surrogate value for brass bar.

Due to significant discrepancies between the Infodrive data and the GTA data reported for imports of HTS 7407.21.10, brass bars, on the record of this administrative review, we determine that it is not appropriate in this instance to utilize Infodrive data to corroborate the GTA data, consistent with past Departmental practice.³⁵

The Department will use Infodrive either as a corroborative tool or price benchmark when: (1) a significant portion of the overall imports under the relevant HTS category is represented by the Infodrive India data; (2) direct and substantial evidence from Infodrive reflects the imports from a particular country; and (3) distortions of the AUV in question can be demonstrated by the Infodrive data.³⁶

(1) Whether a significant portion of the overall imports under the relevant HTS category is represented by the Infodrive India data:

The total value of imports reported in the Infodrive data for HTS 7407.21.10 from all countries, exceeds the reported GTA data by 24.5 percent. After subtracting imports affected by subsidies, from NMEs, and from non-specified countries, the Infodrive data exceeds that reported in GTA data by 17.3 percent (*i.e.*, 13,117,479 Rupees).³⁷ In addition, the Infodrive data are reported in units of "MTS, PCS, KGS, NOS, MTR," while the GTA data are reported in kilograms only. Thus we are unable to determine whether a significant portion of the overall imports under HTS 7407.21.10 is represented by the Infodrive data due to inconsistencies in the total value of imports and the different units of measure reported in the GTA and Infodrive data.

(2) Direct and substantial evidence from Infodrive reflects the imports from a particular country (in this case France):

The GTA import data and Infodrive data are inconsistent with respect to imports of HTS 7407.21.10, brass bar, from France. Import quantities of brass bar from France reported in Infodrive HTS category 7407.21.10 are reported in units of kilograms and pieces while the GTA data is recorded in kilograms only. In addition, based on value, the Infodrive data are inconsistent with the GTA data. The total value of imports of HTS 7407.21.10 from France recorded in the Infodrive data exceeds that of the GTA data by 14.07 percent (InfoDrive data

³⁵ See *e.g.*, *TRBs/PRC AD Final Results* (January 6, 2010) and accompanying Issues and Decision Memorandum at Comment 2, fn. 45, where we state "We note that, because WTA data is comprised of official government imports statistics and Infodrive information is typically less comprehensive (as it is privately compiled and does not collect information from all ports of entry covered by WTA data), the fact that the Infodrive statistics represent a greater amount of total imports than official government data causes some concern as to the reliability of Infodrive's reporting for these subcategories."

³⁶ See *Steel Wire/PRC Final* (May 21, 2010) and accompanying Issues and Decision Memorandum at Comment I.B.

³⁷ See Exhibits 3A, 3B, 3C, 3D, and 3E of DunAn's Post-Preliminary Surrogate Value Submission.

reflect 19,747,637 Rupees, while the total value of the GTA data is 16,967,512 Rupees.³⁸ In light of these inconsistencies, we are unable to make a comparison of the GTA and Infodrive data in order to determine whether Infodrive reflects the imports from France.

(3) Distortions of the AUV in question can be demonstrated by the Infodrive data.

Due to varying reporting units used for HTS 7407.21.10 in the Infodrive data, including “MTS, PCS, KGS, NOS, MTR,” we are unable to use Infodrive data to assess whether AUVs calculated using GTA kilogram-based data may be aberrational. Thus, the Department does not find that the Infodrive data are a useful corroborative tool in this instance.

Moreover, even if we were to find that it is appropriate to rely on the Infodrive data to corroborate the GTA data, we find the French data are insufficient for such an exercise. Because WTA data is comprised of official government imports statistics and Infodrive information is typically less comprehensive (as it is privately compiled and does not collect information from all ports of entry covered by WTA data), the fact that the Infodrive statistics for France represent a greater amount of total imports than official government data for imports from that same country causes some concern as to the reliability of Infodrive's reporting for these data. Specifically, the total imports reported in the Infodrive data for HTS 7407.21.10 exceed the total imports reported in the GTA data. Because the GTA data do not report line item imports as the Infodrive data do; they report aggregate imports by the importing country only, we are unable to discern which if any of the Infodrive data reflect the government cumulated WTA data and which specific data points in the Infodrive may be incorrect.

Finally, we are not persuaded by DunAn's claims that Infodrive data demonstrate that imports of merchandise from France recorded under HTS category 7407.21.10 are not brass bar. Record evidence indicates that Nickel Copper/Monel 400/Niclal400 may not be brass bar. However, there is insufficient information in the Infodrive data to determine that Copper Bar and Aircraft Raw Material for Defense Use made of copper alloy are not brass.³⁹ HTS 7407.21 covers “copper bars, rods and profiles: of copper-zinc base alloys (brass),” including bars (7407.21.10) and rods (7407.21.20). Thus, without knowing the metal composition of the French imports reflected in the Infodrive data, we are unable to determine that “Copper Bar” and materials “made of copper alloy” are not brass. Similar to the facts we found and addressed in the investigation of this proceeding with respect to “Bronze Bars (Aircraft Raw Materials for Defense Use) P.O.NO: 4160375”, “. . . the Infodrive data contain insufficient product information in the description of the line items to enable the Department to make a definitive determination that these line items are misclassified.”⁴⁰

³⁸ *See id.*

³⁹ Copper Bar and Aircraft Raw Material for Defense Use account for 75 percent, by quantity of the imports from France of HTS 7407.21.10. *See* Exhibits 3A, 3B, 3C, 3D, and 3E of DunAn's Post-Preliminary Surrogate Value Submission.

⁴⁰ *See Frontseating Service Valves/PRC AD Final* (March 13, 2009) and accompanying Issues and Decision Memorandum at Comment 4.

Comment 4: Whether To Use the Average of HTS 7407.21.10 and HTS 7407.21.20 Import Values to Value Brass Bar

- DunAn argues that the Department should value brass bar using the AUVs of HTS 7407.21.10 and HTS 7407.21.20 to calculate a surrogate value for brass bar. First, DunAn states that it principally uses brass rods, rather than brass bars, in production. Second, DunAn claims that substantial record evidence shows that there is a great degree of overlap between the understanding and usage of the terms “Brass Bars” and “Brass Rods,” including classification of these goods at the time of importation into India, commercial and trade parlance usage, and court rulings on this issue. In addition, DunAn contends that Infodrive data show bars and rods classified in both HTS categories, industry websites use the terms bar and rod interchangeably, and an Indian court ruling⁴¹ states that the term rod may include bars. Moreover, averaging two HTS categories in this manner is consistent with Department practice when there is insufficient evidence to establish which of two categories should be used to value a particular input.⁴²
- Sanhua argues that if the Department revises the valuation for the brass rod or bar for DunAn in a way which is beneficial to it, there should be a similar adjustment for Sanhua since the brass rod or bar used by the two respondents is identical in all material physical properties.
- Petitioner claims that DunAn primarily reported consumption of brass bar and only later in the proceeding attempted to blur the lines between brass bar and rod because of the lower value for brass rod in the GTA statistics. Furthermore, Petitioners contend that Infodrive India data cannot be considered dispositive or even indicative of misclassifications, as they are not the same as official data reported by GTA.

Department’s Position: We find that the record evidence supports valuing DunAn’s reported inputs of brass bar using the GTA HTS classification for brass bar. DunAn has consistently reported that it used brass bars as the primary input for its production of FSVs. In the narratives of DunAn’s DQR and DunAn’s DSQR, DunAn refers only to brass bar and makes no mention of brass rod. In fact, DunAn cites to its questionnaire responses in its case brief wherein it states that its “principle raw material used here is Round Brass Bar.”⁴³

Furthermore, we do not agree that the record evidence shows that the terms “bar” and “rod” are used interchangeably. First, the fact that the Indian HTS distinguishes between these two commodities for classification purposes demonstrates that the Indian customs authorities recognize a difference between bar and rod. Further, even if we were to rely on Infodrive as a corroborative tool in this segment, we find that occurrences of merchandise descriptions including “bar” appearing in the “brass rod” HTS category, and *vice versa*, are not at all pervasive in the Infodrive data. 80.2 percent, by value, of the merchandise classified in Infodrive

⁴¹ See Exhibit 5 of DunAn’s Post-Preliminary Surrogate Value Submission, *Madras Aluminium*.

⁴² DunAn cites *PET Film/PRC AD Final* (February 22, 2011); *Lock Washers/PRC AD Final* (January 24, 2008); and *Steel Nails/PRC AD Final* (June 16, 2008).

⁴³ See DunAn’s Case Brief citing DunAn’s 2nd SQR at Exhibit PSD-13.

HTS 7407.21.10 (brass bar) includes “bar” in the merchandise description, 2.4 percent contains a description that is inconclusive, 0.23 percent includes a description which includes rod and bar, and only the remaining 17.1 percent appear to contain the word rod only in the description. Ninety-five percent of merchandise classified in Infodrive HTS 7407.21.20 (brass rod) includes “rod” in the merchandise description and the description for the remaining five percent is comprised of bar/rod (2.9 percent), bar (1.8 percent), and other 0.09 percent. When calculated based on commodity descriptions by line item, *i.e.*, occurrences of individual entries reported in the Infodrive data as bar under the bar category represent eighty-five percent and entries reported as rod under the rod category represent ninety-one percent.⁴⁴ The remaining fifteen percent comprising the bar category include indeterminate merchandise descriptions (nine percent), rod (5 percent) and bar/rod (one percent). The remaining nine percent comprising the rod category include indeterminate merchandise descriptions (two percent) and bar (seven percent).

Regarding *Madras Aluminium*, the Department is not bound by decisions of Indian courts in this matter. However, to the extent that *Madras Aluminium* may be instructive, we find that this case supports our finding that bar and rod are different commodities because the Indian court recognized that rods and bars are distinct products. Specifically, the court held that rods could not be classified in the same category as bars because, “{i}n the metal trade, there must be a well-merited distinction between a ‘bar’ on the one hand, and a ‘rod’ on the other, since the trade is in the habit of referring to both the articles by different names in the ordinary course of business.” The court stated further, “{a}s marketable commodities, ... there do exist two distinct descriptions: a ‘bar’ on the one hand, and a ‘rod’ on the other even though they might be made of the same metal and might possibly be used in the manufacture of the same kind of articles.”⁴⁵ Therefore, according to the Indian court in question, the metal trade clearly recognizes a distinction between bars and rods.

In addition, DunAn’s argument that the Indian court’s analysis conformed to the manner in which courts in the United States address disputes regarding classification of commodities and interpretation of the meaning of commercial terms is not relevant to the decision at issue here. Specifically, the U.S. court cases cited by DunAn⁴⁶ were not considered by the Indian court in *Madras Aluminium* and have no bearing on how Indian authorities classify commodities in their tariff code.

⁴⁴ See Exhibits 3A, 3B, 3C, 3D, and 3E of DunAn’s Post-Preliminary Surrogate Value Submission.

⁴⁵ See *Madras Aluminium*.

⁴⁶ See DunAn’s Case Brief at 40-41 where it cites *Marubeni Am. Corp. v. United States*, 20 CIT 178, 185 (Ct. Int’l Trade 1996) (“Nonetheless, there are longstanding rules in classification based on common meaning, that the common and commercial meanings are presumed to be the same; that Congress is presumed to know the language of commerce and to have framed tariff acts so as to classify commodities according to the general usage and denomination of the trade; that Congress ordinarily employs terms in their commercial sense; and that Congress is presumed to know how terms are used in the trade.”); *Govesan Am. Corp. v. United States*, 25 C.L.T. 1142, 1145 (Ct. Int’l Trade 2001) (“If the meaning of a term is in dispute, then the correct meaning is determined by the term’s common meaning.”); *Perrin v. United States*, 444 U.S. 37, 42 (1979) (“A fundamental canon of statutory construction is that, unless otherwise defined, words will be interpreted as taking their ordinary, contemporary, common meaning.”)

Finally, the submitted websites⁴⁷ do not show that the terms bar and rod are used interchangeably. Both terms are mentioned in the websites, but we can find no instance, nor does DunAn cite any, where the websites define bar or rod, or where they use the terms interchangeably for the same commodity. Instead, DunAn argues (again, without citing to record evidence) that products with a circular cross-section are properly termed “rods,” meaning that references to “circular” bars demonstrate that the terms are used interchangeable.⁴⁸ However, the fact that some of the submitted websites advertise bar of circular cross-section, and other websites advertise rod of circular cross-section, is not evidence that the industry uses the term “bar” in place of “rod” (*i.e.*, a product with a circular cross-section).⁴⁹ DunAn’s argument that websites advertising “rods” with non-circular cross-sections are actually referring to “bars” is similarly unpersuasive because DunAn has not demonstrated that a product’s cross-section determines whether it is a bar or rod and has provided no support for the claim that the party in question uses the terms interchangeably.

Thus, for the reasons stated above, we continue to find that the record evidence supports finding that bar and rod are separate commodities and that the input of bar used by DunAn should be classified using the HTS category for brass bar. Because we are not revising the surrogate value used to value DunAn’s brass bar, Sanhua’s argument is not applicable.

Comment 5: The Valuation of Valve Bodies

- Sanhua contends that the Department used an incorrect HTS category, 7412.20.19 “copper tube or pipe fittings (*e.g.*, couplings, elbows, sleeves),” in calculating the surrogate value for its valve bodies in the *Preliminary Results*. Sanhua claims that its detailed product description indicates that the brass valve bodies cannot be classified as a tube or a pipe, since the valve bodies are made from brass rod. As a result, Sanhua argues that the Department should value valve bodies using HTS 7419.99.30, “articles of brass.”
- Petitioner claims that the description for HTS 7412.20.19 is “other tube or pipe fittings of brass,” and includes brass items such as fitting for pipes or tubes, which are similar to valve bodies. Thus, Petitioner argues that HTS 7412.20.19 is a more reasonable and specific category than HTS 7419.99.30, “articles of brass.” Thus, Petitioner argues that the DOC should reject Sanhua’s arguments and use either HTS 7412.20.19 (other tube or pipe fittings of brass), or HTS 8481.90.90 (taps, cocks, valves and similar appliances, for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and

⁴⁷ See DunAn’s Post-Preliminary Surrogate Value Submission at Exhibits 4A – 4G, <http://www.raigurumental.com>, <http://www.metsteels.com>, <http://www.india-brass-components.com>, <http://www.rajhansimpex.com>, <http://www.woodgrip.com>, <http://www.rajhans.com>, and <http://www.brahmaent.com>.

⁴⁸ See *id.* at 42 citing *Madras Aluminium*. As discussed above, the Department does not find that *Madras Aluminium* supports DunAn’s argument.

⁴⁹ See *Stainless Steel Bar/India*, (September 13, 2005) where the Department states “For example, stainless steel bar (“SSB”) is defined as “articles. . . in straight lengths that have... a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons.”

thermostatically controlled valves; parts thereof: other parts of the items under HTS category 8481) as the surrogate value for valve bodies.

Department’s Position: It is the Department’s practice to carefully consider the evidence in light of the particular facts of each industry when valuing FOPs and to value them on a case-by-case basis.⁵⁰ In accordance with section 773(c)(1) of the Act which states, “...the valuation of the factors of production shall be based on the best available information regarding the values of such factors in a market economy country. . .”, we have determined that for the final results, we will continue to value valve bodies using the Indian HTS category 7412.20.19 because it is more specific to the inputs of brass valve bodies, *i.e.*, pipe or tube fittings of brass. The record evidence is clear that all of Sanhua’s valve bodies are composed of brass. As we stated in *Frontseating Service Valves/PRC AD Final* (March 13, 2009), the Indian HTS category 7412.20.19 specifically covers only brass components. Petitioner’s suggestion, Indian HTS category 8481.90.90, does not identify the material composition of the components⁵¹ and appears to encompass materials other than brass.⁵² Further, there is no information on the record of this review that indicates that HTS category 8481.90.90 consists of items made of brass. Accordingly, we find that Indian HTS category 7412.20.19 is more specific in that it specifically covers fittings made of brass.

We are also rejecting Sanhua’s proposed HTS category, HTS 7419.99.30 “articles of brass”, because this HTS category is less specific to the input used to produce the subject merchandise than the HTS number we used in the *Preliminary Results* (*i.e.*, HTS 7412.20.19). HTS 7419 represents a catch-all category for other articles of copper.⁵³

In contrast, HTS 7412 represents, “copper tube or pipe fittings (for example, couplings, elbows, sleeves).” The more precise HTS category 7412.20.19 represents copper alloys, specifically brass, but excludes items contained in other subcategories of HTS number 7412.20 such as tube-well strainers (HTS 7412.20.11), and hose connectors (HTS 7412.20.12).

We agree with Petitioner that Sanhua’s description of HTS 7412.20.19 is misleading and fails to identify that the HTS category specifically covers tube or pipe fittings made of brass (emphasis added).⁵⁴ In addition, we disagree with Sanhua that HTS 7412.20.19 applies to pipe and tubes rather than pipe and tube fittings. Therefore, because these brass tube and pipe fittings are more similar to the subject merchandise than the “articles of brass” included in the catch-all HTS

⁵⁰ See *Mushrooms/PRC AD Final* (July 17, 2006) and accompanying Issues and Decision Memorandum at Comment 1.

⁵¹ The full description of HTS 8481.90.90 is: Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof; Taps, Cocks, Valves And Similar Appliances For Pipes, Boiler Shells, Tanks, Vats Or The Like, Including Pressure-Reducing Valves And Thermostatically Controlled Valves; Parts : Other (*i.e.*, not bicycle valves). See <http://www.dgciskol.nic.in>.

⁵² See *Frontseating Service Valves/PRC AD Final* (March 13, 2009) at Comment 6.

⁵³ See the Indian HTS at <http://www.dgciskol.nic.in>, section 7419.

⁵⁴ The definition of HTS 7412.20.19, taken from the Indian HTS is: copper tube or pipe fittings (for example, couplings, elbows, sleeves) of copper alloys: brass: other. In this instance, “other” refers to brass items which are not tube well strainers or hose connectors, each of which has its own HTS category number. See <http://www.dgciskol.nic.in>

category 7419.99.30 proposed by Sanhua, we will continue to value Sanhua's valve bodies using HTS 7419.20.19 as we did in the *Preliminary Results*. Therefore, for the final results, we will make no changes to our calculations for this item.

Comment 6: The Valuation of Brazing Rings

- Sanhua argues that the Department should determine the surrogate value for brazing rings solely on the basis of “HTS category 7408.19.20 (wire of refined copper of which max cross sectional dimension is 6mm or less)” because it claims that its brazing rings are “rings of copper-based brazing filler metal, copper > 70%.” Sanhua argues that HTS category 7408.19.20 is the provision for welding wire and is most appropriate for the final results, because: (1) brazing rings are used for the same purpose as welding wire; and, (2) the HTS number for welding wire more specifically describes the brazing ring than a combination of the individual items in certain percentages.
- Sanhua contends that the three HTS numbers used in the *Preliminary Results* are inappropriate because: (1) HTS 2804.70 represents “phosphorus;” (2) HTS 7114.11 represents “articles of goldsmiths’ or silversmiths’ wares and parts, thereof, of precious metal or of metal clad with precious metal: of precious metal whether or not plated or clad with precious metal: of silver, whether or not plated or clad with other precious metal;” and, (3) HTS 7408.19.10 represents “other copper wire.
- Petitioner argues the Department should not change its valuation of brazing rings for the final results because Sanhua mischaracterizes the description of the HTS categories that the Department used in the *Preliminary Results*. Specifically, Petitioner claims that: (1) HTS category 7408.19.10 covers “copper weld wire with cross section $\leq 6\text{mm}$,” and is more specific to the input than the “welding wire” Sanhua proposes; and (2) HTS category 7114.11 represents “manufactures of silver.” Petitioner maintains that Sanhua’s assertion that 7114.11 covers “articles of goldsmith’s or silversmith’s wares and parts thereof, of precious metal or of metal clad with precious metal: of precious metal whether or not plated or clad with precious metal: of silver, whether or not plated or clad with other precious metal,” is both (a) unsupported and (b) not persuasive as to the suitability of Sanhua’s proposed alternative.

Department’s Position: We disagree with Sanhua that we should value its brazing rings exclusively using HTS 7408.19.20. In the *Preliminary Results*, as in the original investigation, we valued brazing rings using a weighted value of three HTS numbers: HTS 2804.70 (phosphorus) (7%); HTS 7114.11.10 (manufactures of silver) (19%); and HTS 7408.19.10 (copper weld wire with cross section $\leq 6\text{mm}$)⁵⁵ (74%). In its questionnaire responses, Sanhua variously described its brazing rings as: (1) copper alloy welding wire;⁵⁶ ring of copper alloy welding wire, copper >70%;⁵⁷ and ring of copper-based brazing filler metal, copper >70%.⁵⁸

⁵⁵ HTS 7408 (copper wire), includes two sub-categories for copper weld wire: HTS 7408.11.10 (Copper wire of which the maximum cross-sectional dimension exceeds 6 mm: copper weld wire) and 7408.19.10 (Copper wire: Other: Copper weld wire).

⁵⁶ See Sanhua’s DQR at Exhibit D-3.

⁵⁷ See *id.* at Exhibit D-5.

However, in its SQR, Sanhua provided invoices and a quality certificate for its first purchase of brazing rings during the POR.⁵⁹ The quality certificate provides a breakdown of the standard and actual chemical specifications of the brazing rings. It specifically demonstrates that Sanhua's brazing rings are composed of 2 percent silver, 7.27 percent phosphorus, very small amounts of a number of other chemicals, and 90.73 percent copper. Thus Sanhua's quality certificate demonstrates that it is reasonable for the Department to value brazing rings, as it did in the investigation and in the *Preliminary Results*, using the HTS numbers for silver, phosphorus and copper welding wire. In addition, the quality certificate demonstrates that Sanhua's proposed HTS category, HTS 7408.19.20 (welding wire) is unreasonable.⁶⁰ While Sanhua's brazing rings include about 90 percent copper, HTS 7408.19.20 (welding wire) does not include copper weld wire, which is properly categorized under the HTS category we used in the *Preliminary Results*, HTS 7408.19.10 (copper weld wire).

Moreover, while Sanhua argues that the category for silver is inappropriate because it contains manufactures of silver, we note that, despite many opportunities to provide SV information on the record, Sanhua did not propose an alternative SV for silver. Therefore, in evaluating record information, we continue to find that HTS 7114.11.10 is the best information on the record to value the silver component of Sanhua's brazing rings.

Therefore, for the final results, we will continue to value Sanhua's brazing rings using the HTS categories for silver, phosphorus and copper weld wire, as we did in the *Preliminary Results*. However, we will adjust the weight of each element to reflect the percentages of each element (rounded to the nearest percent) found on the quality certificate included in exhibit SD-5b of Sanhua's SQR and in Sanhua's Brazing Ring Submission at Attachment 1.⁶¹

Comment 7: The Classification of Ammonia Gas

- Sanhua argues that the Department should classify the ammonia gas as overhead and not as a raw material.
- Sanhua contends that ammonia gas is not incorporated in any fashion into the final product, but is used as an auxiliary gas used in the welding process.
- Sanhua maintains that the value of the ammonia gas is slight and its usage is not directly tracked, but carried as a part of overhead.
- Petitioner argues that ammonia gas should be classified as a direct material since the Department routinely assigns surrogate values to energy and utility inputs such as water, electricity and natural gas even though they are not physically incorporated into the

⁵⁸ See Sanhua's SQR at Exhibit SD-5A.

⁵⁹ See Sanhua's SQR at Exhibit SD-5B. See also Sanhua's Brazing Ring Submission at Attachment 1.

⁶⁰ While Sanhua characterized HTS 7408.19.20 as "wire of refined copper of which max cross sectional dimension is 6mm or less," the proper description is "Copper wire: Other: welding wire." See <http://www.dgciskol.nic.in/>.

⁶¹ See Sanhua Final Analysis Memorandum and the Final Factor Valuation Memorandum.

subject merchandise. As a result, Petitioner argues that no changes should be made to the Department's calculation for the final results.

Department's Position: It is our practice to classify certain materials that are required for a production process as direct materials, even when the respondent classifies them as overhead in their ordinary account procedures.⁶² In past cases, we have explained that it is our practice to value all materials that are required for a particular segment of the production process as direct factors of production except where the record indicates that the input is not replaced so regularly as to represent a direct factor rather than overhead.⁶³ In this instance, Sanhua reported ammonia gas as a direct material in its original DQR.⁶⁴ It also explained that ammonia should be classified as an overhead expense (and thus not reported to the Department) because Sanhua uses "ammonia in the machine to keep oxygen away."⁶⁵ Thus, according to Sanhua, ammonia is neither physically incorporated into the finished product as a direct material, nor used as source of energy for the production equipment.⁶⁶ However, Sanhua's description also indicates that ammonia is both required and continuously used in the welding process.⁶⁷ These facts meet our standard for treating ammonia as a direct material. Therefore, for the purposes of these final results, we have made no changes to our calculations and continued to calculate a surrogate value for ammonia.

Comment 8: The Valuation of Labor

- Sanhua claims that in the *Preliminary Results*, the Department calculated the labor rate using the simple average of several countries from ILO data, not including India. Sanhua claims that after the *Preliminary Results*, the Department issued the Industry-Specific Wage Rate Memorandum, stating that it will value labor using a single country, India, and select labor rates differently than in the preliminary results. Sanhua argues that for the final results, the Department should use the wages for India contained in Chapter 5B of the ILO data, rather than Chapter 6A, and that it should not further adjust the wage rate as reported there for India. Sanhua also states that it supports modifying the financial ratios in accordance with the adjusted labor cost.
- Petitioner argues that the Department should value labor using chapter 6A of the ILO Yearbook because the Department stated that these data were more accurate than those in Chapter 5B used in the preliminary results of review.

Department's Position: We agree with Petitioner. In the *Preliminary Results*, we valued labor using the Department's interim wage-rate methodology following the CAFC ruling in *Dorbest* (Fed. Cir. 2010), which ruled that the regression-based method for calculating wage rates, as

⁶² See *Diamond Sawblades/PRC AD Final* (May 22, 2006) and accompanying Issues and Decision Memorandum at Comment 2.

⁶³ *Id.*, citing *Manganese Metal/PRC AD Final* (November 6, 1995), 60 FR at 56051; and *Silicomanganese/PRC AD Final* (May 18, 2000) and accompanying Issues and Decision Memorandum at Comment 1.

⁶⁴ See Sanhua's DQR at pages D-12 and D15, Exhibits D-5 and D-9.

⁶⁵ See Sanhua's DQR at page D-2 and Exhibit D-9.

⁶⁶ See Sanhua's DQR at page D-2.

⁶⁷ See Sanhua's DQR at page D-2 and Exhibit D-9.

required by 19 CFR 351.408(c)(3) of the Department's regulations, uses data not permitted by the statutory requirements of section 773 of the Act.⁶⁸ We explained that we were continuing to evaluate options for determining labor values in light of the recent CAFC decision.⁶⁹ On June 21, 2011, the Department announced its change in labor methodology, explaining that after reviewing all the comments received on the interim, industry-specific wage-rate methodology (which was applied in the *Preliminary Results*), the Department determined to value labor using data on industry-specific wages from the primary surrogate country in NME antidumping duty proceedings.⁷⁰ That *Federal Register* notice explained that we would apply this revised methodology to ongoing NME proceedings on a case-by-case basis if it was feasible to do so within statutory deadlines.⁷¹ Pursuant to *Labor Methodologies*, we issued our Industry-Specific Wage Rate Memorandum specific to this administrative review on July 19, 2011. We explained that for the final results, we intended to value labor using India's industry-specific wage rate, labor cost, and compensation as reported under Chapter 6A by the ILO Yearbook.⁷² We provided a detailed explanation for our method of determining the industry-specific wage rate for India.⁷³ We asked parties to comment on our revised methodology and calculations.⁷⁴ None of the parties to this proceeding submitted comments on this issue at that time. Although Sanhua notes in its case brief that the Department changed its methodology after the *Preliminary Results*, and proposed that the Department use Chapter 5B of the ILO Yearbook, rather than Chapter 6A, to value labor, it did not provide a basis for overturning the wage rate calculation established in *Labor Methodologies*. Therefore, for the final results, we will continue to follow the wage-rate calculation methodology established in *Labor Methodologies* and value wages using Chapter 6A of the ILO Yearbook as we originally explained in our Industry-Specific Wage Rate Memorandum.

Comment 9: The Use of October 2008 GTA in the Calculation of Surrogate Values

- DunAn contends that the Department should not include the month of October 2008 in its GTA calculations because the POR began on October 22, 2008, which is past the midpoint in the month.
- Without providing a citation, DunAn contends that the Department followed this approach in the first administrative review of steel nails.
- DunAn maintains that its recommended approach is consistent with the Department's mid-month rule in determining critical circumstances where DunAn contends it is a stated policy. DunAn cited *Potassium Phosphate Salts/PRC AD Critical Circumstances Prelim* (May 5, 2010) at 75 FR 24754, for its position.

⁶⁸ See *Preliminary Results* at 76 FR 26691.

⁶⁹ *Id.*

⁷⁰ See *Labor Methodologies* (June 21, 2011).

⁷¹ See *id.* at 36093.

⁷² See Industry-Specific Wage Rate Memorandum at 2.

⁷³ See *id.* at 2-4.

⁷⁴ See *id.* at 4.

- No other party provided comments on this issue.⁷⁵

Department’s Position: We disagree with DunAn that the determination of the contemporaneity of surrogate values is analogous to the determination of the base and comparison periods in a critical circumstances analysis. In a critical circumstance analysis, the Department determines whether imports into the United States of the merchandise covered by the petition have been massive over a relatively short period of time, in accordance with section 733(e)(1)(B) of the Act. The Department uses the date of filing of a petition as the dividing point for determining whether importers, or exporter or producers, had reason to believe that an investigation is likely. As we stated in *Potassium Phosphate Salts/PRC AD Prelim* (May 5, 2010), “[b]ased on the date of the filing of the petition, *i.e.*, September 24, 2009, which is in the second half of the month, the Department agrees with Petitioners that October 2009 is the month in which importers, exporters, or producers knew or should have known an antidumping duty investigation was likely, and falls within the comparison period.”⁷⁶ In the case of determining the SV for raw material inputs, however, this reasoning is inapplicable. We are not examining imports into the United States, and knowledge of the existence of an antidumping duty order in one country will not influence the imports into the surrogate country during the period covered by the administrative review of that order in the way that knowledge of a forthcoming petition might disrupt the market in the country in which the petition is being filed. Thus, the Department has determined that SV data from a period that overlaps a part of the POR is contemporaneous with that review period.⁷⁷ In the instant review, the data from October 2008 overlaps the POR which commences October 22, 2008. Therefore, we continue to use the full October 2008 GTA data in our surrogate value calculations for the final results.

Issues With Respect to DunAn

Comment 10: Rebates Paid on Sales to the United States

- Petitioner claims that DunAn reported that it had no rebates during the POR, in contrast to other proprietary information on the record of this review that indicates that DunAn granted rebates to its U.S. customers during the POR. Petitioner argues the Department should make an adjustment to U.S. price for rebates for the final results of review.
- DunAn contends that it provided proprietary information in its SQR that indicates that Petitioner’s allegation is without merit.

⁷⁵ Petitioner included a section heading entitled “October GTA Values” in its rebuttal brief. However, the discussion under this heading was a verbatim copy of its discussion on the surrogate value for brass bar which does not reflect this timing issue. Therefore, we have no comments from Petitioner on this issue. *See* Petitioner’s Rebuttal Brief at 20-22, and 22-24.

⁷⁶ *See Potassium Phosphate Salts/PRC AD Critical Circumstances Prelim* (May 5, 2010) at 75 FR 24574.

⁷⁷ *See, e.g., Shrimp/PRC AD Final* (August 19, 2011) and accompanying Issues and Decision Memorandum at Comment 4; *Lock Washers/PRC AD Final* (December 17, 1996) at Comment 2; and, *Hand Tools/PRC AD Final* (April 4, 1996) at Comment 4.

Department's Position: We agree with DunAn that there is no information on the record that indicates that DunAn incurred rebate expenses covering subject merchandise during the POR.⁷⁸ As a result, we will make no changes to our calculations for the final results with respect to rebates for DunAn. Due to the proprietary nature of this discussion, please *see* DunAn's Final Analysis Memorandum for a proprietary discussion of this issue.

Comment 11: Freight Charges on U.S. Sales

- Petitioner contends that DunAn's international freight charges are understated because DunAn determined its adjustment to starting price by allocating its total freight expense over gross weight rather than net weight. Consequently, Petitioner argues the Department should revise the calculation of U.S. price by allocating DunAn's freight expenses over the net weight for the final results.
- DunAn explains that it allocated its total freight expense over the total gross weight of its shipments, and that this calculation methodology does not represent an under-reporting of its freight expense.

Department's Position: We agree that DunAn under-reported its U.S. freight expense in its original Section C database. DunAn calculated international freight using a two-step process. First, it divided the total freight expense by the gross weight of the shipment to obtain the per-kilogram freight expense for the transaction.⁷⁹ Then, in contrast to statements made in Exhibit C-3 of the CQR, DunAn obtained the per-unit freight expense reported on the Section C database by multiplying the allocated per-unit freight expense by the net weight of the unit.⁸⁰ Because DunAn applied its allocated per-kilogram freight expense to the net weight, rather than the gross weight of each unit, it understated the per-unit freight expense applicable to each transaction. As a result, we revised DunAn's per-unit freight expense in the *Preliminary Results* to account for the difference between the reported net weight and the gross weight of each unit.⁸¹ Because this calculation corrects the error Petitioner identified concerning DunAn's reporting methodology, we have retained it in our margin analysis and made no changes to our calculations for the final results of review.

Comment 12: The Use of Tollers' FOPs in the Calculation of NV

- DunAn argues that for the final results the Department should calculate NV based on the combination of DunAn's purchases of new round brass bar and the FOPs of its unaffiliated tollers for recycled brass bar. DunAn claims it provided brass scrap free of charge to tollers and paid the tollers a processing fee to produce brass bar which the tollers returned to DunAn. DunAn contends it submitted complete and accurate FOPs for several tollers and attempted to obtain FOP data from additional tollers.

⁷⁸ See DunAn's ACSQR at 5 and Exhibit S-4.

⁷⁹ See DunAn's CQR at Exhibit C-3.

⁸⁰ See DunAn's CQR at Exhibits C-1 and C-3, and AQR at A-11.

⁸¹ See DunAn's Preliminary Analysis Memorandum at 9.

- Petitioner claims that the Department should apply AFA to DunAn because it did not provide FOPs for all of its brass bar tollers. Petitioner argues that the FOPs provided for DunAn's brass bar tollers were unsupported or inadequately supported, reported quantities that were not reconciled to reported values, reported values that were not tied to audited financial data, and that DunAn did not include audited financial statements for processors. In addition, Petitioner contends that factual information provided by DunAn's processors was not certified to be accurate in accordance with the Department's regulations. Petitioner argues that the Department should value brass bar produced by tollers with scrap provided by DunAn with an adverse inference, and that a reasonable adverse inference would be to value the full quantity of DunAn's actual brass bar consumption and not allow DunAn's offset for scrap that was not sold. Petitioner also argues that the Department should apply total AFA to DunAn because it completely ignored the requirement to provide FOPs for the tolled components other than brass bar.

Department's Position: For the final results we have valued DunAn's brass bar produced by tollers (who use scrap provided by DunAn) using the tollers' FOPs. The application of AFA is not appropriate in this instance.

Section 776(a) of the Act provides that the Department shall, subject to section 782(d) of the Act, apply "the facts otherwise available" if (1) necessary information is not available on the record of an antidumping proceeding or (2) an interested party or any other person: (A) withholds information that has been requested by the administering authority; (B) fails to provide such information by the deadlines for the submission of the information or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i) of the Act.

All information necessary to calculate DunAn's antidumping duty margin is on the record of this review. DunAn did not withhold information requested by the Department, did not fail to submit information by applicable deadlines, in the manner requested, and did not significantly impede this segment of the proceeding. (Verification of DunAn's questionnaire response was not conducted in this review.)

Although the tolled components and brass bar both constitute intermediate inputs in the production of FSVs, the Department only requested FOP information for brass bar, not for the tolled components referred to by Petitioner. The Department has specified those circumstances in which it would apply a surrogate value to an intermediate input (*i.e.*, the finished tolled input): 1) when the intermediate input accounts for an insignificant share of total output, and the potential increase in accuracy to the overall calculation that results from valuing each of the FOPs is outweighed by the resources, time, and burden such an analysis would place on all of the parties to the proceeding; or 2) when valuing the factors used in a production process yielding an intermediate product may lead to an inaccurate result because a significant element of cost would not be adequately accounted for in the overall factors buildup.⁸² In this case, we collected extensive FOP data, accounting documentation, and cost reconciliations from numerous tollers

⁸² See *WBF/PRC AD Final* (August 18, 2010) and accompanying Issues and Decision Memorandum at Comment 23.

of what is by far the largest input into production: brass bar. We also deemed that the additional burden placed on the respondent and the Department did not justify requesting the FOPs for the other tolled components. We also note that Petitioner at no point commented during the course of this review that the Department should seek such FOPs for those components prior to its case brief. Thus, for the final results, we will continue to value the tolled components as intermediate inputs as we did for the preliminary results.

While we note that DunAn was unable to provide the requested FOP information for certain unaffiliated brass bar tollers, we find that it cooperated to the best of its ability during the course of this review to comply with the Department's requests for information. DunAn attempted to obtain FOP data from all tollers it used to produce brass bars from scrap it provided them. DunAn provided adequate documentation demonstrating that certain tollers refused to provide FOP data requested by DunAn⁸³ and explained that "a relatively insignificant toller . . . lacked sufficiently comprehensive accounting records to provide verifiable information as to its processing FOPs."⁸⁴ Moreover, DunAn obtained FOP data from an adequate number of tollers *vis-a-vis* the total quantity of brass bar produced by each, relative to the total brass bar produced by all tollers.⁸⁵ Additionally, because the Department did not request that DunAn make further attempts to obtain the missing FOP data or further demonstrate that it made additional efforts to obtain the missing FOP data, we do not find that DunAn failed to cooperate by not acting to the best of its ability to comply with a request for information.

We also find unsupported by record evidence Petitioner's argument that the FOPs DunAn provided were deficient. Specifically, on May 5, 2011, the Department issued a supplemental questionnaire to DunAn concerning the tollers and FOPs of brass bars, in which it directed DunAn to provide individual FOP databases for each toller, a detailed description of how each FOP was calculated, how DunAn collected the information, and COM reconciliation worksheets for all products produced by the two subcontractors which provided the largest amount of recycled brass bar to DunAn during the POR. DunAn responded fully to these requests.⁸⁶

The Department examined the worksheets and supporting documentation submitted by DunAn for its two largest tollers and found that they reconciled as requested by the Department. Though Petitioner argues the contrary, it points to no specific examples of where the evidence is deficient or the documents to not reconcile. Thus we determine that there is sufficient information on the record for calculating the FOPs of DunAn's brass bar tollers. Thus, for the final results, the Department has applied neutral FA (facts available without an adverse inference) in accordance with section 776(a) of the Act for purposes of valuing the remaining brass bar produced by its tollers.⁸⁷

⁸³ See DunAn's 2nd SQR at Exhibit PSD-14.

⁸⁴ See *id.* at page 3, footnote 4.

⁸⁵ See DunAn's Final Analysis Memorandum.

⁸⁶ See DunAn's 2nd SQR.

⁸⁷ See *Steel Nails/PRC AD Final*, 76 FR 16379 (March 23, 2011) and accompanying Issues and Decision Memorandum at Comment 17.

Issues With Respect to Sanhua

Comment 13: Upward Billing Adjustments

- Petitioner contends that the Department should disallow Sanhua’s upward billing adjustments because: (1) Sanhua’s positive billing adjustments represent a “raw material surcharge due to the price fluctuations of LME copper and brass. . .;” (2) such adjustments do not ensue from pre-existing agreements and formulas; and, (3) the Department should disallow all reported positive billing adjustments that increase the starting price.
- Sanhua contends that the Department should not deny Sanhua’s upward billing adjustments because: (1) it is not required to demonstrate that upward billing adjustments derive from pre-existing agreements and formulae; (2) its SQR explains how it charged its customers for raw-material and exchange-rate surcharges; (3) its upward billing adjustments are reflected in customer agreements that are made in the ordinary course of business; and (4) these upward billing adjustments were examined, verified and accepted by the Department in the original investigation.

Department’s Position: We disagree with Petitioner’s contention that the Department should disallow all reported positive billing adjustments that increase the gross U.S. price. Section 772(c) of the Act instructs the Department to increase export price and constructed export price by “the cost of all containers and coverings and all other costs, charges and expenses incident to placing the subject merchandise in condition packed ready for shipment to the United States.” Sanhua’s raw-material and foreign-exchange surcharges in question are charges (*i.e.*, additions to the U.S. customer’s price) that fall within the context of 772(c) of the Act, and were verified and accepted in the final determination of the original investigation.⁸⁸ Moreover, we have explained that such material surcharges are legitimate and common business expenses in the metal industry,⁸⁹ as are foreign-exchange surcharges.⁹⁰

Petitioner did not allege, and there is otherwise no evidence on the record, that Sanhua misrepresented its surcharges and/or did not receive compensation for the raw material and exchange rate surcharges that it reported on its U.S. sales database.⁹¹ In addition, Petitioner did not explain or provide authority for its allegation that Sanhua’s adjustments must ensue from pre-existing agreements and formulas other than those established in its customer agreements. Moreover, the customer agreements on the record set forth the conditions for pricing changes

⁸⁸ See *Frontseating Service Valves/PRC AD Final* (March 13, 2009) and accompanying Issues and Decision Memorandum at Comment 10e.

⁸⁹ See *e.g.*, *SSSS/Mexico AD Prelim* (August 7, 2009), unchanged in final results *SSSS/Mexico AD Final* (February 10, 2010); *SSSS/Mexico AD Prelim* (August 6, 2008), unchanged in the final results.

⁹⁰ See, *e.g.*, *Brass Sheet and Strip/Germany AD Amended Final* (October 28, 2010) and accompanying Issues and Decision Memorandum at Comment 5.

⁹¹ See Sanhua’s 1st SQR at Exhibit SC-4a and SC-4b for invoices covering material surcharges and exchange rate surcharges.

resulting from the cost of materials and from changes in the exchange rate.⁹² Therefore, for the final results, we have made no changes to our calculations with respect to billing adjustments.

Comment 14: Brokerage and Handling Expenses in the United States

- Petitioner contends that Sanhua did not adequately support its claim that it incurred brokerage and handling expenses in U.S. dollars, and that, for the final results, the Department should revise its calculations to apply the maximum reported brokerage charge for any single U.S. transaction to every sale in the United States. Alternatively, Petitioner claims that the Department can determine Sanhua's brokerage and handling expense by applying a high surrogate brokerage charge as an adverse inference.
- Sanhua disagrees that it did not report its U.S. brokerage and handling expenses appropriately. Rather, Sanhua claims that it incurred brokerage and handling expenses in the United States, for which its U.S. affiliate paid in U.S. dollars to companies located in the United States, regulated by the U.S. government.

Department's Position: We agree that Sanhua adequately supported its reported brokerage and handling expenses incurred in the United States for U.S. sales.⁹³ Sanhua explained in its SQR that it incurred brokerage and handling expenses in the United States, and its U.S. affiliate paid those expenses in U.S. dollars through a Customs broker located in the United States.⁹⁴ Because this U.S. expense is paid in the United States to a U.S. Customs broker in U.S. dollars, and no party provided evidence to the contrary, we did not require Sanhua to further support its claim. Accordingly, we have made no changes to our calculations for brokerage and handling for these final results of review.

Comment 15: Indirect Selling Expenses in the United States

- Sanhua argues that the Department should adjust its calculation of indirect selling expenses in the United States to exclude expenses which Sanhua argues do not constitute selling expenses. Specifically, Sanhua contends that:
 - The expense category, "accountant's salary for maintaining the books and records," represents general expenses relating to the operation of the company and not to the direct or indirect "selling" of goods.
 - Expenses related to non-subject merchandise, such as "advertising for non-subject products, salaries for salesmen who do not sell FSVs, and the like," were incurred in connection with the sale and distribution of non-subject merchandise and cannot be attributed to sales of subject merchandise.

⁹² See Sanhua's 1st SQR at Exhibit SA-3.

⁹³ See Sanhua's CQR at 23 and 24, and Exhibit C-2, and SQR at 27.

⁹⁴ See Sanhua's SQR at 27.

- Sanhua also asserts that because this first administrative review covering an 18-month period, covers one complete fiscal year and portions of two additional fiscal years, that the Department should base its ISE calculation on a weighted-average ISE ratio for each fiscal year to reflect that portion of the fiscal year that falls within the POR.
- Petitioner contends that general expenses “relating to the operations of the company” are required by section 772(d) of the Act and should be included in the calculation of the U.S. ISE ratio.
- In addition, Petitioner disagrees that the Department should exclude advertising expenses for non-subject merchandise, and salaries for salesmen who do not sell FSVs from the calculation of U.S. ISE.
- Petitioner claims that Sanhua’s FSV-specific ISE ratio is much smaller than Sanhua’s company-wide FSV ratio and that Sanhua did not support either its claim for a FSV-specific ISE calculation or for the exclusion of advertising expenses for non-subject merchandise.

Department’s Position: We agree with Sanhua, in principle, that the Department should not include in the calculation of U.S. ISEs any expenses that can be directly tied to the manufacturing or sales of non-subject merchandise. Pursuant to 19 CFR 351.401(g)(1), the Department may consider allocated expenses when transaction-specific reporting is not feasible, provided that the Department is satisfied that the allocation method used does not cause inaccuracies or distortions.⁹⁵ Additionally, a respondent that reports an expense on an allocated basis must demonstrate that the allocation is calculated on as specific a basis as is feasible, and must explain why the allocation methodology does not cause inaccuracies or distortions.⁹⁶ The Department examines whether the respondent’s methodology is feasible based upon the party’s records, as well as other factors, such as accounting practices and the number of sales made by the party.⁹⁷

However, in this instance, Sanhua did not provide any information on the record of this review that allows the Department to identify any expenses incurred specifically for the sales of non-subject merchandise.⁹⁸ In its CQR, Sanhua provided a short list of allocated ISEs which it explained were extracted for FSV sales.⁹⁹ Sanhua explained that the original data that it used tied directly to its audited financial statements, but Sanhua did not provide the original data that it used in its allocation methodology and did not provide the allocation formulas it used.¹⁰⁰ Although our original questionnaire requests that parties provide the data and formulas for any allocated figures, because Sanhua did not provide this information in its initial questionnaire

⁹⁵ See, e.g., *Narrow Woven Ribbons/PRC AD Final* (July 19, 2010) and accompanying Issues and Decision Memorandum at Comment 3.

⁹⁶ *Id.* See also 19 CFR 351.401(g)(2).

⁹⁷ *Id.* See also 19 CFR 351.401(g)(3).

⁹⁸ See Sanhua AQR at Exhibits 15A, 15B and 15C, Sanhua CQR at Exhibit C-7 or Sanhua SQR at Exhibit SC 8-A. In addition, see Sanhua’s Preliminary Analysis Memorandum at Attachment II.

⁹⁹ See Sanhua CQR at Exhibit C-7.

¹⁰⁰ See Sanhua CQR at Exhibit C-7 and Sanhua AQR at Exhibits 15A, 15B and 15C.

response, in a supplemental questionnaire, we asked Sanhua to provide a detailed explanation of the allocations that it presented in Exhibit C-7 of its CQR.¹⁰¹ In response, Sanhua provided a slightly longer list of ISE expenses, with a slightly higher value.¹⁰² In that response, Sanhua asserted: “the expenses can be tied to the financial statements through accounting ledgers and books. But this does not mean there is a single figure in any of the financial statements that can directly and straightforwardly show the expense amount reported.”¹⁰³ Sanhua further stated that “all individual line items can reconcile to the income statement through accounting ledgers books in a similar way with the example provided in Exhibit SC-8b.”¹⁰⁴ However, Exhibit SC-8b, accounted for only one expense (rent and lease), whose allocation methodology typically differs from other expenses not based on space. Thus, Sanhua: 1) did not account for all of the expenses recorded on its audited financial statements; 2) did not identify from which of the three financial statements on the record it drew its figures; 3) did not provide the actual allocations or formulas for all expenses that were allocated; 4) did not explain how to tie the expenses recorded in its response back to the financial statements from which they were drawn; 5) did not identify which expenses on the income statement were omitted from the calculation of ISEs. Thus, Sanhua did not meet the burden imposed by 19 CFR 351.401(g)(2), which requires “any party seeking to report an expense or a price adjustment on an expense or a price adjustment on an allocated basis must demonstrate to the Secretary’s satisfaction that the allocation is calculated on as specific a basis as is feasible, and must explain why the allocation methodology used does not cause inaccuracies or distortions.” As a result, we recalculated Sanhua’s expenses based on the ISE information contained in the audited financial statements provided in Sanhua’s AQR for the *Preliminary Results*.¹⁰⁵ Sanhua has not provided any basis for us to alter those calculations for the final results of review. Specifically, the expenses itemized in its case brief, “accountant’s salary for maintaining the books and records,” “advertising for non-subject products,” and “salaries for salesmen who do not sell FSVs, and the like,” are not recorded in Sanhua’s audited financial statements. Therefore, it is not possible to further analyze Sanhua’s claims with respect to these items.

Finally, with regard to Sanhua’s argument that we should weight-average the ISEs from its financial statements based on the number of months within the POR corresponding to each financial statement, we do not agree. As discussed above, Sanhua did not provide an accurate and transparent accounting of its ISEs for the POR. As a result, in the *Preliminary Results*, we based Sanhua’s ISE ratio on Sanhua’s audited financial statements covering the review period. The Act does not outline a particular methodology for calculating indirect selling expenses.¹⁰⁶ However, the Department’s standard methodology is to calculate indirect selling expenses based on expenses incurred and sales revenue recognized (or cost of goods sold) during the same

¹⁰¹ See Sanhua First Supplemental ACD Questionnaire, at question 61.

¹⁰² See Sanhua SQR at Exhibit SC 8-A.

¹⁰³ See Sanhua SQR at 35 and Exhibit SC 8-A. See also Sanhua AQR at Exhibits 15A, 15B and 15C.

¹⁰⁴ See Sanhua’s 1st SQR at 35 – 37 and Exhibits SC-8a and SC-8b.

¹⁰⁵ See Sanhua AQR at Exhibits 15A, 15B and 15C.

¹⁰⁶ See *Micron Technology* (Fed. Cir. 2001), 243 F.3d at 1314; see also *Heveafil* (CIT 2001) 25 CIT at 159 (“The statute does not define indirect selling expenses”). See also the SAA at 824 (explaining that the Department is not required to use a specific calculation methodology, but merely stating that indirect selling expenses “would be incurred by the seller regardless of whether the particular sales in question are made, but reasonably may be attributed (at least in part) to such sales.”).

period of time, and we calculated Sanhua's ISEs from its financial statements in accordance with that methodology. Sanhua has not provided any information or argument to suggest that the calculation is in any way distortive of its ISEs or provided any information to indicate that a weighting based on number of months would more accurately reflect the expenses it actually incurred during the POR. Therefore, for the reasons stated above, we have continued to base its ISE ratio on the expenses incurred and the sales made during the three fiscal years covering the POR and have made no changes to our calculations for the final results.

We agree with Petitioner that general expenses "relating to the operations of the company" are required by section 772(d) of the Act and should be included in the calculation of the U.S. ISE ratio.¹⁰⁷ In *OTR Tires/PRC AD Final* (July 15, 2008), we stated that "the Department uses G&A expenses incurred in the U.S. market to determine the cost of selling merchandise in the United States. It is our practice to base U.S. ISEs on all the expenses incurred in the U.S. market that respondents have not reported as direct expenses. Therefore, it is reasonable to include certain non-operating expenses incurred in the U.S. market, because, all expenses incurred by a company in the U.S. support its sales."¹⁰⁸ Therefore, for the final results, we did not make any adjustments to our calculations to exclude general expenses relating to the operations of the company.

General Issues

Comment 16: Zeroing

- Sanhua argues that the Department should not apply zeroing¹⁰⁹ in its calculations because it believes that: (1) zeroing is inconsistent with WTO obligations; and (2) the CAFC, in *Dongbu Steel* (Fed. Cir. 2011) and *JTEKT Corp.* (Fed. Cir. 2011), stated that the Department must explain its differing interpretation of section 771(35) of the Act with respect to investigations and administrative reviews. Sanhua asserts that because there is no satisfactory explanation for the Department's interpretations, the Department may not zero in this review.
- DunAn argues that recent court cases have called into question the Department's practice of zeroing in reviews and that zeroing should not be used in the final results.
- Petitioner argues that zeroing is the Department's consistent and longstanding policy in administrative reviews, and that the cases Sanhua cited did not require the Department to take any specific action but to provide an explanation for its actions.
- Petitioner contends that zeroing exposes and discourages harmful dumping that can be caused by low prices charged to certain market segments (customers or regions) or for certain product groups.

¹⁰⁷ See Section 772(d).

¹⁰⁸ See *OTR Tires/PRC AD Final* (July 15, 2008) and accompanying Issues and Decision Memorandum at Comment 72 (internal citation omitted).

¹⁰⁹ Zeroing is the offsetting of negative margins in the calculation of an overall weighted-average margin.

Department’s Position: We have not changed our calculation of the weighted-average dumping margins for these final results of review with respect to our zeroing methodology.

Section 771(35)(A) of the Act defines “dumping margin” as the “amount by which the normal value *exceeds* the export price and constructed export price of the subject merchandise.” (emphasis added). Outside the context of antidumping investigations involving average-to-average comparisons, the Department interprets this statutory definition to mean that a dumping margin exists only when normal value is greater than EP or CEP. We disagree with Sanhua that the Department’s zeroing practice is an inappropriate interpretation of the Act. Because no dumping margins exist with respect to sales where normal value is equal to or less than EP or CEP, the Department does not permit non-dumped sales to offset the amount of dumping found with respect to other sales. The CAFC has held that this is a reasonable interpretation of section 771(35) of the Act.¹¹⁰

Section 771(35)(B) of the Act defines weighted-average dumping margin as “the percentage determined by dividing the aggregate dumping margins determined for a specific exporter or producer by the aggregate export prices and constructed export prices of such exporter or producer.” We apply this section by aggregating all individual dumping margins, each of which is determined by the amount by which normal value exceeds EP or CEP, and dividing this amount by the value of all sales. The use of the term “aggregate dumping margins” in section 771(35)(B) of the Act is consistent with the Department’s interpretation of the singular “dumping margin” in section 771(35)(A) of the Act, as applied on a comparison-specific level and not on an aggregate basis. At no stage of the process is the amount by which EP or CEP exceeds the normal value permitted to offset or cancel the dumping margins found on other sales.

This does not mean that we disregard non-dumped sales in calculating the weighted-average dumping margin. It is important to recognize that the weighted-average margin will reflect any non-dumped merchandise examined during the POR; the value of such sales is included in the denominator of the weighted-average dumping margin while no dumping amount for non-dumped merchandise is included in the numerator. Thus, a greater amount of non-dumped merchandise results in a lower weighted-average margin.

The CAFC explained in *Timken* (Fed. Cir. 2004) that denial of offsets is a “reasonable statutory interpretation given that it legitimately combats the problem of masked dumping, wherein certain profitable sales serve to ‘mask’ sales at less than fair value.”¹¹¹ As reflected in that opinion, the issue of so-called masked dumping was part of the policy reason for interpreting the statute in the manner interpreted by the Department. No U.S. court has required the Department to demonstrate “masked dumping” before it is entitled to invoke this interpretation of the statute and deny offsets to dumped sales.¹¹²

¹¹⁰ See, e.g., *Timken* (Fed. Cir. 2004), 354 F.3d at 1342, and *Corus I* (Fed. Cir. 2005), 395 F.3d at 1347-49.

¹¹¹ See *Timken* (Fed. Cir. 2004), 354 F.3d at 1342.

¹¹² See, e.g., *Timken* (Fed. Cir. 2004), 354 F.3d at 1343; *Corus I* (Fed. Cir. 2005), 395 F.3d at 1347-49, and *NSK* (Fed. Cir. 2007) 510 F.3d at 1381.

In 2007, the Department implemented a modification of its calculation of weighted-average dumping margins when using average-to-average comparison in antidumping investigations.¹¹³ With this modification, the Department's interpretation of the statute with respect to non-dumped comparisons was changed within the limited context of investigations using average-to-average comparisons. Adoption of the modification pursuant to the procedure set forth in section 123(g) of the URAA was specifically limited to address adverse WTO findings made in the context of antidumping investigations using average-to-average comparisons. The Department's interpretation of the statute was unchanged in other contexts.

It is reasonable for the Department to interpret the same ambiguous language differently when using different comparison methodologies in different contexts. In particular, the use of the word "exceeds" in section 771(35)(A) of the Act can reasonably be interpreted in the context of an antidumping investigation to permit negative average-to-average comparison results to offset or reduce the amount of the aggregate dumping margins used in the numerator of the weighted-average dumping margin as defined in section 771(35)(B) of the Act. The average-to-average comparison methodology typically applied in antidumping duty investigations averages together high and low prices for directly comparable merchandise prior to making the comparison. This means that the determination of dumping necessarily is not made for individual sales but rather at an "on average" level of comparison. For this reason, the offsetting methodology adopted in the limited context of investigation using average-to-average comparisons is a reasonable manner of aggregating the comparison results produced by this comparison method. Thus, with respect to how negative comparison results are to be regarded under section 771(35)(A) of the Act, it is reasonable for the Department to consider whether the comparison result in question is a product of an average-to-average comparison or an average-to-transaction comparison.

In *U.S. Steel* (Fed. Cir. 2010), the CAFC considered the reasonableness of the Department's interpretation not to apply zeroing in the context of investigations using average-to-average comparisons, while continuing to apply zeroing in the context of investigations using average-to-transaction comparisons pursuant to the provision at section 777A(d)(1)(B) of the Act. Specifically, in *U.S. Steel* (Fed. Cir. 2010), the CAFC was faced with the argument that, if zeroing was never applied in investigations, then the average-to-transaction comparison methodology would be redundant because it would yield the same result as the average-to-average comparison methodology. The Court acknowledged that the Department intended to continue to use zeroing in connection with the average-to-transaction comparison method in the context of those investigations where the facts suggest that masked dumping may be occurring.¹¹⁴ The Court then affirmed as reasonable the Department's application of its modified average-to-average comparison methodology in investigations in light of the Department's stated intent to continue zeroing in other contexts.¹¹⁵

In addition, the CAFC in *SKF USA* (Fed. Cir. 2011) recently upheld, as a reasonable interpretation of ambiguous statutory language, the Department's continued application of zeroing in the context of an administrative review completed after the implementation of the

¹¹³ See *Final Modification for Antidumping Investigations*.

¹¹⁴ See *U.S. Steel* (Fed. Cir. 2010), 621 F.3d at 1363.

¹¹⁵ See *id.*

Final Modification for Antidumping Investigations.¹¹⁶ In that case, the Department had explained that the changed interpretation of the ambiguous statutory language was limited to the context of investigations using average-to-average comparisons and was made pursuant to statutory authority for implementing an adverse WTO report. We find that our determination in this administrative review is in accordance with the CAFC's recent decision in *SKF USA* (Fed. Cir. 2011).

We disagree with respondents' argument that the CAFC's recent decision in *Dongbu* (Fed. Cir. 2011) requires the Department to change its methodology in this administrative review. The holding of *Dongbu* (Fed. Cir. 2011) and the recent decision in *JTEKT* (Fed. Cir. 2011) were limited to finding that the Department had not adequately explained the different interpretations of section 771(35) of the Act in the context of investigations versus administrative reviews, but the CAFC did not hold that these differing interpretations were contrary to law. Importantly, neither *Dongbu* (Fed. Cir. 2011) nor *JTEKT* (Fed. Cir. 2011) overturned prior CAFC decisions affirming zeroing in administrative reviews, including *SKF USA* (Fed. Cir. 2011), which we discuss above, in which the Court affirmed zeroing in administrative reviews notwithstanding the Department's determination to no longer use zeroing in certain investigations. Unlike the circumstances examined in *Dongbu* (Fed. Cir. 2011) and *JTEKT* (Fed. Cir. 2011), the Department here is providing additional explanation for its changed interpretation of the statute subsequent to the *Final Modification for Antidumping Investigations* whereby we interpret section 771(35) of the Act differently for certain investigations (when using average-to-average comparisons) and administrative reviews. For all these reasons, we find that our determination is consistent with the holdings in *Dongbu* (Fed. Cir. 2011), *JTEKT* (Fed. Cir. 2011), and *SKF USA* (Fed. Cir. 2011).

Accordingly, and consistent with the Department's interpretation of the Act described above, in the event that any of the export transactions examined in this review are found to exceed normal value, the amount by which the price exceeds normal value does not offset the dumping found with respect to other transactions.

Comment 17: Procedures for Issuing Liquidation Instructions

- Citing *SKF USA* (CIT 2011), Sanhua contends that, although it was not stated in the preliminary results, the Department has a policy, rule, or practice of issuing liquidation instructions to CBP 15 days after the date on which the final results of review are published in the *Federal Register*.
- Sanhua argues that 19 USC 1516a(a)(2)(A) establishes statutory deadlines which allow parties to file a complaint with the CIT within 30 days of the date of publication of the final results in the *Federal Register*, and a summons 30 days thereafter. Thus, Sanhua maintains, the Department's practice of issuing liquidation instructions 15 days after publication of the final results in the *Federal Register* forecloses Sanhua's opportunity to seek judicial redress, and is therefore not legal.

¹¹⁶ See *SKF USA* (Fed. Cir. 2011), 630 F.3d at 1375.

- Sanhua further claims that the Department's refusal to agree to the issuance of a preliminary injunction unless parties serve the injunction by hand on the Department and the Customs Service and unless the injunction has a delayed effective date further reduces the time for filing a Court challenge to 8 days. Thus, Sanhua claims, the Department's issuance of liquidation instructions 15 days after publication in the *Federal Register* forces Sanhua to prematurely seek a preliminary injunction or a temporary restraining order. Sanhua asserts that if the Department issues instructions 15 days after publication of the final results in the *Federal Register*, it would seek to recover costs and fees for the time and expense of pursuing this unnecessary course of action.
- As a result, Sanhua argues that for the final results the Department should affirmatively state that it will not issue liquidation instructions 15 days after publication in the *Federal Register*, and that it will not require the personal service of any preliminary injunctions on the Department and CBP, and that it will not require a delayed effective date for consent to injunctions against liquidation should a court challenge be made to the final results.

Department's Position: The Department has determined that the issuance of liquidation instructions to CBP 15 days after publication of final results of review is reasonable because it balances the factors which the Department must consider in the effective administration of the AD/CVD laws. This policy was first established in recognition of the time in which parties may allege ministerial errors in the final results¹¹⁷ as well as in consideration of the fact that entries which CBP does not liquidate within six months of the publication of the final results will be deemed liquidated at the cash deposit rate posted at the time of entry.¹¹⁸ The Department must provide instructions to CBP within a short time period after making a final determination in order to provide sufficient time for CBP to receive and process these instructions and to liquidate applicable entries prior to the six month deemed liquidation deadline. The possible loss of revenue to the U.S. government if deemed liquidation occurs may be significant in many cases. As well, if deemed liquidation occurs, the Department's administrative review process is rendered meaningless. Consequently, the Department has a significant interest in ensuring that entries are liquidated timely and properly.

The Department's policy increases the ability of the government to collect the proper amount of duties in every case. In complicated cases where there could be many entries or mixed entries either at one port or several ports, the policy enables CBP to have sufficient time to liquidate at the proper rate or rates. The policy also takes into account the fact that CBP's workload periodically precludes entries from being liquidated immediately upon receipt of the instructions as CBP processes both AD/CVD and normal-consumption entries. Further, in cases involving complex instructions, the remaining time period enables the Department to respond to CBP

¹¹⁷ The Department's regulations provide that an interested party must file comments concerning ministerial errors within five days after the earlier of the date on which the Department releases disclosure documents to that party, or the Department holds a disclosure meeting with that party. 19 CFR 351.224(c)(2). The regulations also provide that the Department will disclose its calculations normally within five days after the date of any public announcement or, if there is no public announcement, within five days after the date of publication of the final results. 19 CFR 351.224(b).

¹¹⁸ See *International Trading* (Fed. Cir. 2002); see also 19 USC 1504(d).

inquiries and/or correct any problems so that CBP may act on them before the entries are deemed liquidated. Accordingly, while CBP may not require five and a half months to liquidate entries in every case, the Department must establish a uniform system to maximize the chances that liquidation will occur at the proper rate in most cases.¹¹⁹

In addition, while the statute provides deadlines by which parties must file a summons and complaint with the CIT, the statute indicates no time limit by which the Department must issue liquidation instructions.¹²⁰ The Department's normal practice is to release the final results of review to interested parties the day after the notice and Issues and Decision Memorandum are signed by the Assistant Secretary and to release the disclosure documents within five days of signature. Thus these documents are generally released between two to five days before the final results are published in the *Federal Register*. In other words, while parties have 15 days after the publication of the final results before the Department will issue liquidation instructions, they have usually had at least 17-20 days to read and review the final results and accompanying calculation documents before the Department has issued liquidation instructions. In addition, the preliminary results of administrative review are released and published well in advance of the release and publication of the final results and the parties are provided the opportunity to comment on the preliminary results during that period of time.¹²¹ Thus, the parties are aware of the issues which they may be interested in litigating well before the final results are released, much less published in the *Federal Register*.

The Department has determined that 15 days is reasonable and appropriately takes into consideration the concerns of CBP and the interested parties. Recognizing the preparation required to determine whether to bring suit at the CIT, the Department also has a practice of not issuing liquidation instructions on the 15th day if a party provides the Department of Justice with a draft summons, complaint, and motion for preliminary injunction prior to day 15. This practice, contrary to Sanhua's assertion that its time may be limited to 8 days, results in parties having the full 15 days as long as they timely serve the Department of Justice with the drafts. If parties provide the draft summons, complaint and draft motion for a PI before day 15, the Department does not issue instructions on day 15 so long as the party promptly files all three with the court. Prompt filing is a necessity otherwise the six-month deemed liquidation clock pursuant to 1504(d) continues to run.

¹¹⁹ See *Mukand Int'l Ltd. v. United States*, 452 F. Supp. 2d 1329, 1334 (Ct. Int'l Trade 2006) (affirming Commerce's issuance of liquidation instructions within the 60-day period under 19 U.S.C. 1516a(a)(2)(A) and Commerce's prior practice) and *Mittal Steel Galati S.A. v. United States*, 502 F. Supp. 2d 1295, 1316-17 (Ct. Int'l Trade 2007) (holding that Commerce's 15 Day Policy of issuing instructions *within* 15 days "increases transparency by informing affected parties of Commerce's anticipated timetable for transmitting liquidation instructions to Customs. Commerce also aids due process through the 15 Day Policy by encouraging affected parties to exercise their rights of judicial review in a timely manner.").

¹²⁰ See 19 USC 1516a(a)(2) (stating that interested parties wishing to contest the final results of administrative review have 30 days after the publication of the final results to file a summons and 30 days after that to file a complaint with the CIT).

¹²¹ See section 751(a)(3)(A) of the Act (stating that the Department must make a final determination in an administrative review 120 days after the publication of the preliminary results and allowing for extensions up to 180 days); 19 CFR 351.309(c)(1)(ii) (providing interested parties the opportunity to comment on the preliminary results of an administrative review).

Finally, the Department will not agree to the specific terms of a possible court injunction, such as eliminating a 5 day effective date or a requirement of personal service, during this administrative proceeding. The terms of an injunction are for the parties to the lawsuit to negotiate and for the judge to decide when and if there is litigation resulting from these final results.

Therefore, we will not depart from our practice of issuing liquidation instructions on day 15 in this administrative review unless a party serves the Department of Justice with a draft summons, complaint, and injunction

Comment 18: By-Product Offset for Brass Scrap

Sanhua Scrap

- Petitioner argues that the quantity of scrap reported by Sanhua is not supported by record evidence, is not product-specific, and is overstated. Petitioner argues that reported scrap offsets must be limited to the lesser of scrap actually generated from the manufacture of subject merchandise or scrap sold. Petitioner further argues that scrap offsets cannot result in a direct material consumption that is lower than the finished product weight.¹²² Petitioner alleges that this is the case with Sanhua's merchandise and cites a single CONNUM where the sum of the weights of the reported FOPs, less scrap, is less than the reported net weight. Moreover, Petitioner claims that the total scrap generated by Sanhua during the POR is well below the quantity it sold.
- Sanhua argues that it produced and sold scrap from the production of subject merchandise. Sanhua asserts that, while the amounts of scrap sold exceeded the amounts of the scrap produced during the POR, it is claiming a by-product offset only for the produced amount. Sanhua avers that its reported scrap produced is supported by the records that the company maintained in its normal course of business. Sanhua argues that it is impractical to track product-specific scrap generation. In addition, Sanhua cites thirteen product codes where the sum of the weights of the FOPs exceeds the reported net weight of the product code.

DunAn Scrap

- Petitioner argues that DunAn's description of its tolling operations demonstrates that DunAn's scrap was not sold but does not take a position on how the Department should treat DunAn's scrap.¹²³
- DunAn did not comment on this issue.¹²⁴

¹²² See Petitioner's Case Brief at 15.

¹²³ See Petitioner's Rebuttal Brief at 10 - 11.

¹²⁴ While a heading in DunAn's Case Brief apparently advocates for calculating its brass scrap offset based on the FOPs of its tollers, DunAn's full argument concerns the proper valuation of brass bar produced by those tollers, which is produced from DunAn's brass scrap. See DunAn's Case Brief at 6 and Comment 12 of this memorandum.

Department Position: For the final results, we are basing both Sanhua's and DunAn's brass scrap offsets on their reported quantities of scrap produced during the POR. Based on our current practice,¹²⁵ the by-product offset is limited to the total production quantity of the by-product, in this case brass scrap, produced during the POR, so long as it is shown that the by-product has commercial value.¹²⁶ Both Sanhua's and DunAn's by-product offset claims are based on material produced during the POR which has commercial value. Sanhua demonstrated that its scrap has commercial value because it showed that the scrap was sold.¹²⁷ The fact that DunAn re-introduced its brass scrap into production after it was tolled into brass bars shows that it has commercial value.¹²⁸

We do not agree with Petitioner that evidence of a single CONNUM where the sum of the weights of the reported FOPs, less scrap, are less than the reported net weight is sufficient to deny Sanhua's by-product offset claim. An allocation methodology may result in instances where the allocation is more or less than the actual amounts employed because allocations are based on estimates rather than actual amounts. The question is whether the allocation methodology is reasonable, based on a company's accounting books and records kept in the normal course of business, and does not result in distortions.¹²⁹ We find that Sanhua's allocation methodology for brass scrap is reasonable and is supported by documentation on the record of this review. Sanhua explained in its response that it did not track scrap production by product/model in the normal course of business as it would be impractical to do so. Thus, Sanhua based its per-product code allocation of brass scrap on the total quantity of brass scrap produced during the POR for all production, over the total weight of all of the brass bodies of the produced merchandise.¹³⁰ Sanhua then applied this allocation ratio to particular models based on the weight of the model's valve body (the main component of an FSV) to calculate the by-product scrap for each product code of merchandise. Sanhua weight-averaged the product codes comprising each CONNUM, where necessary, to calculate a CONNUM-specific quantity of by-product brass scrap.

Evidence on the record does not demonstrate that Sanhua's allocation methodology has resulted in unacceptable distortions with respect to calculation of NV. First, though the FOP data were reported on a weighted-average basis for CONNUMs comprised of more than one product code, the net weights taken from the U.S. sales database are product code specific. Thus a comparison of the two is not always an apples-to-apples comparison. Moreover, although the per-CONNUM sum of the weight of FOPs, less brass scrap, does not equal or exceed the reported net weight for every reported CONNUM-product code, it does for many, and in the aggregate, the sum of the

¹²⁵ See *Silicon Metal/PRC AD Final* (January 12, 2010) and accompanying Issues and Decision Memorandum at Comment 5; *Steel Plate/PRC AD Final* (February 24, 2010) and accompanying Issues and Decision Memorandum at Comment 10.

¹²⁶ See *MWF/PRC AD Final* (October 18, 2011) and accompanying Issues and Decision Memorandum at Comment 23.

¹²⁷ See Sanhua's DQR at Exhibit 10-C.

¹²⁸ See *Silicon Metal/PRC AD Final* (January 12, 2010) and accompanying Issues and Decision Memorandum at Comment 15.

¹²⁹ See *WBF/PRC AD Final* (August 17, 2009) and accompanying Issues and Decision Memorandum at Comment 20.

¹³⁰ See Sanhua's DQR at Exhibits D-10A and D-10E.

weight of FOPs for all reported subject merchandise, less brass scrap, exceeds the sum of the reported net weights for all CONNUMs-product code combinations produced from those FOPs.¹³¹ Thus, we determine to grant Sanhua's by-product offset because we find that Sanhua's methodology was reasonable, supported by documentation, and not distortive.

RECOMMENDATION

Based on our analysis of the comments received, we recommend adopting the above positions. If this recommendation is accepted, we will publish the final results in the *Federal Register*.

Agree _____ Disagree _____

Paul Piquado
Assistant Secretary
for Import Administration

Date

¹³¹ See Sanhua's Final Analysis Memorandum for a further proprietary explanation.

<i>List Of Abbreviations And Acronyms Used In This Memorandum</i>	
<i>All cites in this table are listed alphabetically by short cite</i>	
Acronym/Abbreviation	Full Name
AFA	Adverse Facts Available
Anup Malleables	Anup Malleables Limited
AUV	Average Unit Value
Bay Forge	Bay Forge Limited
CAFC	Court of Appeals of the Federal Circuit
Creative Castings	Creative Castings Ltd.
DEPB	Duty Entitlement Pass Book Scheme
DunAn	Zhejiang DunAn Hetian Metal Co., Ltd.
EPCGS	Export Promotion Capital Goods Scheme
FA	Facts Otherwise Available
FOP	Factor of Production
FSV	Front Seating Service Valves
GTA	Global Trade Atlas
Gujarat Foils	Gujarat Foils, Ltd.
Hilton Metal Forging	Hilton Metal Forging Ltd.
HTS	Harmonized Tariff Schedule
ILO	International Labor Organization
ILO Yearbook	International Labor Organization Yearbook of Labor Statistics
IMW	India Metal World
Investment and Precision Castings	Investment & Precision Castings Ltd.
ISE	Indirect Selling Expenses
Kartik Steels	Kartik Steels Limited
LME	London Metal Exchange
ME	Market Economy
Nandina Iron & Steels	Nandina Iron & Steels Limited
National General	National General Industries Ltd.
Nissan Copper	Nissan Copper
NV	Normal Value
Oswal Industries	Oswal Industries Limited
Parker-Hannifin	Parker-Hannifin Corporation
Pioneer Alloy Castings	Pioneer Alloy Castings Limited
POR	Period of Review
PTC Industries	PTC Industries Limited
Pyrocast	Pyrocast India Private Limited
Rane Engine Valve	Rane Engine Valve Ltd.

List Of Abbreviations And Acronyms Used In This Memorandum <i>All cites in this table are listed alphabetically by short cite</i>	
Acronym/Abbreviation	Full Name
Rapsri Engineering	Rapsri Engineering Industries Ltd.
RMB	Renminbi
RRL Steels	RRL Steels Limited
Rupees	Indian Rupees
Sanhua	Zhejiang Sanhua Co., Ltd.
Shree Sponge	Shree Sponge Steel and Forging Ltd.
Siddhi Cast	Siddhi Cast Private Limited
Steel and Industrial Forgings	Steel and Industrial Forgings Ltd.
Steelcast	Steelcast
Sundram Fasteners	Sundram Fasteners Limited
SV	Surrogate Value
Tamboli Castings	Tamboli Castings Limited
The Act	Tariff Act of 1930, as amended
The Department	The Department of Commerce
TMI	Tianjin Magnesium International, Co., Ltd.
Triton Valves	Triton Valves Ltd.
Upper India Special Castings	Upper India Special Castings Limited

Short Cite Table For Litigation <i>All cites in this table are listed alphabetically by short cite</i>	
Short-Cite	Full Cite
<i>Corus I</i> (Fed. Cir. 2005)	<i>Corus Staal BV v. U.S. Department of Commerce</i> , 395 F.3d 1343 (Fed. Cir. 2005)
<i>Dongbu Steel</i> (Fed. Cir. 2011)	<i>Dongbu Steel Co., Ltd. v. United States</i> , 635 F.3d 1363 (Fed. Cir. 2011)
<i>Dorbest</i> (Fed. Cir. 2010)	<i>Dorbest Limited, et al. v. United States</i> , 604 F.3d 1363 (Fed. Cir. 2010)
<i>Heveafil</i> (CIT 2001)	<i>Heveafil Sdn. Bhd. v. United States</i> , 25 CIT 147 (CIT 2001)
<i>International Trading</i> (Fed. Cir. 2002)	<i>International Trading Company v. United States</i> , 281 F.3d 1268 (CAFC 2002)
<i>JTEKT</i> (Fed. Cir. 2011)	<i>JTEKT Corp. v. United States</i> , 642 F.3d 1378 (Fed. Cir. 2011)
<i>Magnesium Corp.</i> (Fed. Cir. 1999)	<i>Magnesium Corp. of America v. United States</i> , 166 F.3d 1364 (Fed. Cir. 1999)

Short Cite Table For Litigation	
<i>All cites in this table are listed alphabetically by short cite</i>	
Short-Cite	Full Cite
<i>Micron Technology</i> (Fed. Cir. 2001)	<i>Micron Technology, Inc. v. United States</i> , 243 F.3d 1301 (Fed. Cir. 2001)
<i>Nation Ford</i> (Fed. Cir. 1999)	<i>Nation Ford Chem. Co. v. United States</i> , 166 F.3d 1373 (Fed. Cir. 1999)
<i>NSK</i> (Fed. Cir. 2007)	<i>NSK Ltd. v. United States</i> , 510 F.3d 1375 (Fed. Cir. 2007)
<i>SKF USA</i> (Fed. Cir. 2011)	<i>SKF USA Inc. v. United States</i> , 630 F.3d 1365 (Fed. Cir. 2011)
<i>SKF USA</i> (CIT 2011)	<i>SKF USA Inc. v. United States</i> , Slip Op. 11-94 (CIT 2011)
<i>Timken</i> (Fed. Cir. 2004)	<i>Timken Co. v. United States</i> , 354 F.3d 1334 (Fed. Cir. 2004)
<i>U.S. Steel</i> (Fed. Cir. 2010)	<i>U.S. Steel Corp. v. United States</i> , 621 F. 3d 1351 (CAFC 2010)
<i>Madras Aluminium</i>	<i>Madras Aluminium Company Limited v. State of Tamil Nadu</i> , 1981 INDLAW MAD 115 (Sep 17, 1981)

Antidumping/Countervailing Duty Proceeding Federal Register Cite Table	
<i>All cites in this table are listed alphabetically by short cite</i>	
Short Cite	Long Cite
<i>Activated Carbon/PRC AD Prelim</i> (April 29, 2011)	<i>Certain Activated Carbon From the People's Republic of China: Preliminary Results of the Third Antidumping Duty Administrative Review, and Preliminary Rescission in Part</i> , 76 FR 23978 (April 29, 2011)
<i>Artist Canvas/PRC Final</i> (March 30, 2006)	<i>Final Determination of Sales at Less Than Fair Value: Certain Artist Canvas from the People's Republic of China</i> , 71 FR 16116 (March 30, 2006)
<i>Aspirin/PRC AD Final</i> (May 25, 2000)	<i>Notice of Final Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China</i> , 65 FR 33805 (May 25, 2000) and accompanying decision memorandum
<i>Brass Sheet and Strip/Germany AD Amended Final</i> (October 28, 2010)	<i>Brass Sheet and Strip From Germany: Amended Final Results of Antidumping Duty Administrative Review</i> , 75 FR 66347 (October 28, 2010)
<i>CVP-23/PRC AD Final</i> (June 28, 2010)	<i>Carbazole Violet Pigment 23 from the People's Republic of China: Final Results of Antidumping Duty Administrative Review</i> , 75 FR 36630 (June 28, 2010) and accompanying Issues and Decision Memorandum

<i>Antidumping/Countervailing Duty Proceeding Federal Register Cite Table</i> <i>All cites in this table are listed alphabetically by short cite</i>	
<i>Short Cite</i>	<i>Long Cite</i>
<i>Diamond Sawblades/PRC AD Final (May 22, 2006)</i>	<i>Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China, 71 FR 29303 (May 22, 2006) and accompanying Issues and Decision Memorandum</i>
<i>Final Modification for Antidumping Investigations (December 27, 2006)</i>	<i>Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin During an Antidumping Investigation, 71 FR 77722 (December 27, 2006)</i>
<i>Final Rule (May 19, 1997)</i>	<i>Antidumping Duties; Countervailing Duties: Final Rule, 62 FR 27296 (May 19, 1997)</i>
<i>Fish Fillets/Vietnam AD Final (March 21, 2007)</i>	<i>Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the Second Administrative Review, 72 FR 13242 (March 21, 2007)</i>
<i>FMTC/PRC AD Final (December 11, 2006)</i>	<i>Folding Metal Tables and Chairs from the People's Republic of China; Final Results of Antidumping Duty Administrative Review, 71 FR 71509 (December 11, 2006)</i>
<i>Frontseating Service Valves/PRC AD Final (March 13, 2009)</i>	<i>Frontseating Service Valves from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances, 74 FR 10886 (March 13, 2009) and accompanying Issues and Decision Memorandum</i>
<i>Hand Tools/PRC AD Final (April 4, 1996)</i>	<i>Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, from the People's Republic of China; Final Results of Antidumping Administrative Review, 61 FR 15028 (April 4, 1996)</i>
<i>Hot-Rolled Carbon Steel Flat Products/India CVD Final (July 26, 2010)</i>	<i>Certain Hot-Rolled Carbon Steel Flat Products from India: Final Results of Countervailing Duty Administrative Review, 75 FR 43488 (July 26, 2010) and accompanying Issues and Decision Memorandum</i>
<i>Iron Metal Castings/India CVD Final (May 18, 2000)</i>	<i>Certain Iron-Metal Castings from India: Final Results of Countervailing Duty Administrative Review, 65 FR 31515 (May 18, 2000)</i>
<i>Iron Metal Castings/India CVD Prelim (November 12, 1999)</i>	<i>Certain Iron-Metal Castings From India: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review, 64 FR 61592 (November 12, 1999)</i>
<i>Labor Methodologies (June 21, 2011)</i>	<i>Antidumping Methodologies in Proceedings Involving Non-Market Economies: Valuing the Factor of Production: Labor, 76 FR 36092 (June 21, 2011)</i>

<i>Antidumping/Countervailing Duty Proceeding Federal Register Cite Table</i> <i>All cites in this table are listed alphabetically by short cite</i>	
<i>Short Cite</i>	<i>Long Cite</i>
<i>Lined Paper/PRC AD Final</i> (August 8, 2006)	<i>Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined Paper Products From the People's Republic of China, 71 FR 53079 (September 8, 2006) and accompanying Issues and Decision Memorandum</i>
<i>Lock Washers/PRC AD Final</i> (December 17, 1996)	<i>Certain Helical Spring Lock Washers From The People's Republic of China; Final Results of Antidumping Administrative Review, 61 FR 66255 (December 17, 1996)</i>
<i>Magnesium Metal/PRC AD Final</i> (July 14, 2008)	<i>Magnesium Metal from the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 73 FR 40293 (July 14, 2008) and accompanying Issues and Decision Memorandum</i>
<i>Manganese Metal/PRC AD Final</i> (November 6, 1995)	<i>Notice of Final Determination of Sales at Less Than Fair Value: Manganese Metal From the People's Republic of China, 60 FR 56045 (November 6, 1995)</i>
<i>Mushrooms/PRC AD Final</i> (July 17, 2006)	<i>Certain Preserved Mushrooms from the People's Republic of China: Final Results and Final Rescission of the Sixth Administrative Review, 71 FR 40477 (July 17, 2006) and accompanying Issues and Decision Memorandum</i>
<i>MWF/PRC AD Final</i> (October 18, 2011)	<i>Multilayered Wood Flooring From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 76 FR 64318 (October 18, 2011)</i>
<i>Narrow Woven Ribbons/PRC AD Final</i> (July 19, 2010)	<i>Narrow Woven Ribbons With Woven Selvedge From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 75 FR 41808 (July 19, 2010) and accompanying Issues and Decision Memorandum</i>
<i>OCTG/PRC AD Final</i> (April 19, 2010)	<i>Certain Oil Country Tubular Goods from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, Affirmative Final Determination of Critical Circumstances and Final Determination of Targeted Dumping, 75 FR 20335 (April 19, 2010)</i>
<i>OTR Tires/PRC AD Final</i> (July 15, 2008)	<i>Certain New Pneumatic Off-The-Road Tires from the People's Republic of China: Final Affirmative determination of Sales at less Than fair Value and Partial Affirmative Determination of Critical Circumstances, 73 FR 40485 (July 15, 2008) and accompanying Issues and Decision Memorandum</i>

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<i>Pencils/PRC AD Final (July 25, 2002)</i>	<i>Certain Cased Pencils from the People’s Republic of China; Final Results and Partial Rescission of Antidumping Duty Administrative Review, 67 FR 48612 (July 25, 2002) and accompanying Issues and Decision Memorandum</i>
<i>Persulfates/PRC AD Final (February 10, 2003)</i>	<i>Persulfates from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, 68 FR 6712 (February 10, 2003) and accompanying Issues and Decision Memorandum</i>
<i>PET Film/India CVD Final (February 13, 2006)</i>	<i>Final Results of Countervailing Duty Administrative Review: Polyethylene Terephthalate Film, Sheet, and Strip from India, 71 FR 7534 (February 13, 2006), and accompanying Issues and Decision Memorandum</i>
<i>PET Film/PRC AD Final (September 24, 2008)</i>	<i>Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 73 FR 55039 (September 24, 2008)</i>
<i>Potassium Phosphate Salts/PRC AD Critical Circumstances Prelim (May 5, 2010)</i>	<i>Certain Potassium Phosphate Salts from the People's Republic of China: Preliminary Affirmative Determination of Critical Circumstances in the Antidumping Duty Investigation, 75 FR 24572 (May 5, 2010)</i>
<i>Preliminary Results</i>	<i>Frontseating Service Valves from the People's Republic of China: Preliminary Results of the 2008-2010 Antidumping Duty Administrative Review and Partial Rescission of Review, 76 FR 26686 (May 9, 2011)</i>
<i>Pure Magnesium/PRC AD Final (December 16, 2008)</i>	<i>Pure Magnesium from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, 73 FR 76336 (December 16, 2008) and accompanying Issues and Decision Memorandum</i>
<i>Pure Magnesium/PRC AD Final (December 23, 2010)</i>	<i>Pure Magnesium From the People’s Republic of China: Final Results of the 2008-2009 Antidumping Duty Administrative Review of the Antidumping Duty Order, 75 FR 80791 (December 23, 2010) and accompanying Issues and Decision Memorandum</i>
<i>SAA</i>	<i>Statement of Administrative Action (“SAA”) accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Session (1994)</i>
<i>Shrimp/Ecuador AD Final (December 23, 2004)</i>	<i>Notice of Final Determination of Sales at Less Than Fair Value: Certain Frozen and Canned Warmwater Shrimp From Ecuador, 69 FR 76913 (December 23, 2004) and accompanying Issues and Decision Memorandum</i>

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<i>Shrimp/PRC AD Final</i> (August 19, 2011)	<i>Administrative Review of Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review, 76 FR 51940 (August 19, 2011)</i>
<i>Shrimp/PRC AD Final</i> (September 12, 2007)	<i>Certain Frozen Warmwater Shrimp From the People's Republic of China: Notice of Final Results and Rescission, in Part, of 2004/2006 Antidumping Duty Administrative and New Shipper Reviews 72 FR 52049 (September 12, 2007) and accompanying Issues and Decision Memorandum</i>
<i>Shrimp/Vietnam Final</i> (December 8, 2004)	<i>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)</i>
<i>Shrimp/Vietnam Prelim</i> (July 16, 2004)	<i>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 (July 16, 2004)</i>
<i>Silicomanganese/PRC AD Final</i> (May 18, 2000)	<i>Silicomanganese from the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review, 65 FR 31514 (May 18, 2000), and accompanying Issues and Decision Memorandum</i>
<i>Silicon Metal/PRC AD Final</i> (January 12, 2010)	<i>Silicon Metal from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review, 75 FR 1592 (January 12, 2010)</i>
<i>SSSS/Mexico AD Final</i> (February 11, 2008)	<i>Stainless Steel Sheet and Strip in Coils from Mexico; Final Results of Antidumping Duty Administrative Review, 73 FR 7710 (February 11, 2008) and accompanying Issues and Decision Memorandum</i>
<i>SSSS/Mexico AD Final</i> (May 5, 2010)	<i>Stainless Steel Sheet and Strip in Coils from Taiwan: Final Results and Rescission in Part of Antidumping Duty Administrative Review, 75 FR 6627 (February 5, 2010)</i>
<i>SSSS/Mexico AD Prelim</i> (August 6, 2008)	<i>Stainless Steel Sheet and Strip in Coils From Mexico; Preliminary Results of Antidumping Duty Administrative Review, 73 FR 45708 (August 6, 2008)</i>
<i>SSSS/Mexico AD Prelim</i> (August 7, 2009)	<i>Stainless Steel Sheet and Strip in Coils From Mexico; Preliminary Results of Antidumping Duty Administrative Review and Intent Not To Revoke Order in Part, 74 FR 39622 (August 7, 2009)</i>

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<i>Stainless Steel Bar/India, (September 13, 2005)</i>	<i>Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Bar from India, 70 FR. 54023 (September 13, 2005)</i>
<i>Steel Nails/PRC AD Final (June 16, 2008)</i>	<i>Certain Steel Nails from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances, 73 FR 33977 (June 16, 2008), and accompanying Issues and Decision Memorandum</i>
<i>Steel Nails/PRC AD Final (June 17, 2010)</i>	<i>Certain Steel Nails from the People's Republic of China: Final Results of the First New Shipper Review, 75 FR 34424 (June 17, 2010) and accompanying Issues and Decision Memorandum</i>
<i>Steel Nails/PRC AD Final (March 23, 2011)</i>	<i>Certain Steel Nails From the People's Republic of China: Final Results of the First Antidumping Duty Administrative Review, 76 FR 16379 (March 23, 2011) and accompanying Issues and Decision Memorandum</i>
<i>Steel Plate/PRC AD Final (February 24, 2010)</i>	<i>Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China: Final Results of the 2007-2008 Administrative Review of the Antidumping Duty Order, 75 FR 8301 (February 24, 2010)</i>
<i>Steel Wire/PRC Final (May 21, 2010)</i>	<i>Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Determination of Sales at Less Than Fair Value; 75 FR 28560 (May 21, 2010)</i>
<i>TRBs/PRC AD Final (January 6, 2010)</i>	<i>Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of the 2007-2008 Administrative Review of the Antidumping Duty Order, 75 FR 844 (January 6, 2010)</i>
<i>WBF/PRC AD Final (August 17, 2009)</i>	<i>Wooden Bedroom Furniture from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and New Shipper Reviews, 74 FR 41374 (August 17, 2009)</i>
<i>WBF/PRC AD Final (August 18, 2010)</i>	<i>Wooden Bedroom Furniture From the People's Republic of China: Final Results and Final Rescission in Part, 75 FR 50992 (August 18, 2010)</i>
<i>Woven Electric Blankets/PRC AD Final (July 2, 2010)</i>	<i>Certain Woven Electric Blankets from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 75 FR 38459 (July 2, 2010) and accompanying Issues and Decision Memorandum</i>

<i>Unpublished Letters And Memoranda</i>	
<i>All cites in this table are listed alphabetically by short cite</i>	
Acronym/Abbreviation	Full Name
Department's Response to Strike Petitioner's Case Brief	Memorandum to the File, "Zhejiang Sanhua Co., Ltd. ("Sanhua")'s Request for the Department to Reject Parker-Hannifin's Case Brief," dated August 24, 2011
DunAn's 2 nd SQR	Letter from DunAn, "DunAn's Second Supplemental Response in the First Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People's Republic of China," dated June 9, 2011
DunAn's ACSQR	Letter from DunAn, "DunAn's First Supplemental Section A&C Response in the First Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People's Republic of China," dated February 22, 2011
DunAn's AQR	Letter from DunAn, "Response of Zhejiang DunAn Hetian Metal Co., Ltd. to Section A of the Department's Antidumping Investigation Questionnaire," dated September 20, 2010
DunAn's Case Brief	Letter from DunAn, "DunAn's Administrative Case Brief in the First Administrative Review of the Antidumping Duty Order on Front Seating Service Valves from the People's Republic of China," dated August 17, 2011
DunAn's CQR	Letter from DunAn, "The response of Zhejiang DunAn Hetian Metal Co., Ltd. to Sections C and D of the Department's Antidumping Investigation Questionnaire," dated August 19, 2010
DunAn's DQR	Letter from DunAn, "The response of Zhejiang DunAn Hetian Metal Co., Ltd. to Sections C and D of the Department's Antidumping Investigation Questionnaire," dated August 19, 2010
DunAn's DSQR	Letter from DunAn, "DunAn's Supplemental Section D Response in the First Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People's Republic of China," dated March 16, 2011
DunAn's DSQR Addendum	Letter from DunAn, "DunAn's Supplemental Section D Addendum in the First Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People's Republic of China," dated March 22, 2011
DunAn's Final Analysis Memorandum	Memorandum to the File, "Frontseating Service Valves from the People's Republic of China: Frontseating Service Valves from the People's Republic of China: Analysis Memorandum for the Final Results of the 2008-2010 Administrative Review: Zhejiang DunAn Hetian Metal Co. Ltd.," dated November 7, 2011.

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DunAn's Post-Preliminary Surrogate Value Rebuttal Submission	Letter from DunAn, "Second Rebuttal Surrogate Value Submission in the First Administrative Review of Certain Frontseating Service Valves from the People's Republic of China; Case No. A-570-933," dated July 11, 2011.
DunAn's Post-Preliminary Surrogate Value Submission	Letter from DunAn, "Post-Preliminary Results Surrogate Value Submission for DunAn in the First Administrative Review of Certain Frontseating Service Valves from the People's Republic of China; Case No. A-570-933," dated June 21, 2011.
DunAn's Preliminary Analysis Memorandum	Memorandum to the File, "Front Seating Service Valves from the People's Republic of China: Frontseating Service Valves from the People's Republic of China: Analysis Memorandum for the Preliminary Results of the 2008-2010 Administrative Review: Zhejiang DunAn Hetian Metal Co. Ltd.," dated May 2, 2011.
DunAn's Rebuttal Brief	Letter from DunAn, "DunAn's Administrative Rebuttal Case Brief in the First Administrative Review of the Antidumping Duty Order on Front Seating Service Valves from the People's Republic of China," dated August 22, 2011
DunAn's Surrogate Value Submission	Letter from DunAn, "Clarification Letter for First Surrogate Value Submission for DunAn in the First Administrative Review of Certain Frontseating Service Valves from the People's Republic of China, Case No. A-570-933," dated December 6, 2010
Final Factor Valuation Memorandum	Memorandum to the File, "Antidumping Duty Administrative Review of Frontseating Service Valves from the People's Republic of China: Factor Valuation for the Final Results of Review," dated November 7, 2011
Industry-Specific Wage Rate Memorandum	Memorandum to the File, "Frontseating Service Valves from the People's Republic of China: Industry-Specific Surrogate Wage Rate and Surrogate Financial Ratios," dated July 19, 2011
Petitioner's Case Brief	Letter from Parker-Hannifin, "Frontseating Service Valves from the People's Republic of China; Petitioner Parker-Hannifin Corporation's Case Brief," dated August 17, 2011
Petitioner's Post-Preliminary Surrogate Value Submission	Letter from Parker-Hannifin, "Petitioner's Post-Preliminary Results Surrogate Value Submission in the First Administrative Review of Frontseating Service Valves from the People's Republic of China; Case No. A-570-933," dated June 21, 2011
Petitioner's Rebuttal Brief	Letter from Petitioner, "Frontseating Service Valves from the People's Republic of China: Petitioner Parker-Hannifin Corporation's Rebuttal Brief," dated August 22, 2011.

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Petitioner's Rebuttal Surrogate Value Submission	Letter from Parker-Hannifin, "First Administrative Review of Certain Frontseating Service Valves from the People's Republic of China: Case No. A-570-933," dated November 29, 2010.
Preliminary Factor Valuation Memorandum	Memorandum to the File, "2008-2010 Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People's Republic of China: Factor Valuation Memorandum for the Preliminary Results of Review," dated May 2, 2011.
Sanhua First Supplemental ACD Questionnaire	Letter to Sanhua entitled, "Front Seating Service Values from the People's Republic of China: Zhejiang Sanhua Co., Ltd. ("ZHS"): First Supplemental Questionnaire for ZSH's Sections A, C and D Questionnaire Responses," dated January 26, 2011
Sanhua's 1st SQR	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Response to Supplemental Antidumping Questionnaire Section A, C, & D by Zhejiang Sanhua Co., Ltd." dated March 2, 2011
Sanhua's AQR	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Response to Antidumping Questionnaire Section A by Zhejiang Sanhua Co., Ltd.," dated September 20, 2010
Sanhua's Brazing Ring Submission	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Resubmission of Brazing Ring Quality Certificate by Zhejiang Sanhua Co. Ltd.," dated October 25, 2011
Sanhua's Case Brief	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Case Brief of Zhejiang Sanhua Co., Ltd.," dated August 17, 2011
Sanhua's CQR	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Response to Antidumping Questionnaire Sections C and D by Zhejiang Sanhua Co., Ltd.," dated October 19, 2010.
Sanhua's DQR	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Response to Antidumping Questionnaire Sections C and D by Zhejiang Sanhua Co., Ltd.," dated October 19, 2010.
Sanhua's Final Analysis Memorandum	Memorandum to the File, "Frontseating Service Valves ("FSVs") from the People's Republic of China ("PRC"): Analysis Memorandum for the Final Results of the 2008-2010 Administrative Review: Zhejiang Sanhua Co., Ltd. ("Sanhua")," dated November 7, 2011.

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Sanhua's Post-Preliminary Surrogate Value Rebuttal Submission	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Submission of Rebuttal Surrogate Values for Final Results," dated July 11, 2011.
Sanhua's Post-Preliminary Surrogate Value Submission	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Submission of Additional Surrogate Values for Final Results," dated June 21, 2011.
Sanhua's Preliminary Analysis Memorandum	Memorandum to the File, "Frontseating Service Valves ("FSVs") from the People's Republic of China ("PRC"): Analysis Memorandum for the Preliminary Results of the 2008-2010 Administrative Review: Zhejiang Sanhua Co., Ltd. ("Sanhua")," dated May 2, 2011.
Sanhua's Rebuttal Brief	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Rebuttal Brief of Zhejiang Sanhua Co., Ltd.," dated August 22, 2011
Sanhua's Request to Strike Petitioner's Case Brief	Letter from Sanhua, "Frontseating Service Valves from the People's Republic of China; A-570-933; Request to Strike Petitioner's Case Brief from the Record," dated August 17, 2011
Sanhua's Surrogate Value Submission	Letter from Sanhua, "Certain Frontseating Service Valves from the People's Republic of China; A-570-933; Submission of Surrogate Values for the Preliminary Results," dated November 18, 2010
Surrogate Country Memorandum	Memorandum entitled, "Request for a List of Surrogate Countries for an Administrative Review of the Antidumping Duty Order on Frontseating Service Valves ("Service Valves") from the People's Republic of China ("PRC")," dated July 20, 2010