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November 2, 2012

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  
2010-2011 Administrative Review

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**SUMMARY:**

On May 4, 2012, the Department published its *Preliminary Results* in the antidumping duty administrative review of frontseating service valves from the People's Republic of China.<sup>1</sup> We received case briefs from Petitioner and DunAn on July 12, 2012,<sup>2</sup> and rebuttal briefs from all parties (Petitioner, DunAn, and Sanhua) on July 23, 2012.<sup>3</sup>

On August 17, 2012, the Department originally extended the deadline for the final results of review to October 31, 2012.<sup>4</sup> As explained in the memorandum from the Assistant Secretary for Import Administration, the Department has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 29, through October 30, 2012. Thus, all deadlines in this segment of the proceeding have been extended by two days. The revised deadline for the final results of this review is now Friday, November 2, 2012.<sup>5</sup>

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<sup>1</sup> See *Preliminary Results*, 77 FR 26489 (May 4, 2012).

<sup>2</sup> See Petitioner's Case Brief, DunAn's Case Brief, and Sanhua's Case Brief.

<sup>3</sup> See Petitioner's Rebuttal Brief, DunAn's Rebuttal Brief, and Sanhua's Rebuttal Brief.

<sup>4</sup> See Extension of the Deadline for Final Results.

<sup>5</sup> See Memorandum to the Record from Paul Piquado, AS for Import Administration, regarding "Tolling of Administrative Deadlines As a Result of the Government Closure During the Recent Hurricane," dated October 31, 2012.



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are short cite tables for: (1) acronyms and abbreviations; (2) litigation; (3) *Federal Register* notices; and (4) unpublished letters, submissions, and memorandum.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.

## SCOPE OF THE ORDER

The merchandise covered by this order is frontseating service valves, assembled or unassembled, complete or incomplete, and certain parts thereof. Frontseating service valves contain a sealing surface on the front side of the valve stem that allows the indoor unit or outdoor unit to be isolated from the refrigerant stream when the air conditioning or refrigeration unit is being serviced. Frontseating service valves rely on an elastomer seal when the stem cap is removed for servicing and the stem cap metal to metal seat to create this seal to the atmosphere during normal operation.<sup>6</sup>

For purposes of the scope, the term “unassembled” frontseating service valve means a brazed subassembly requiring any one or more of the following processes: the insertion of a valve core pin, the insertion of a valve stem and/or O ring, the application or installation of a stem cap, charge port cap or tube dust cap. The term “complete” frontseating service valve means a product sold ready for installation into an air conditioning or refrigeration unit. The term “incomplete” frontseating service valve means a product that when sold is in multiple pieces, sections, subassemblies or components and is incapable of being installed into an air conditioning or refrigeration unit as a single, unified valve without further assembly.

The major parts or components of frontseating service valves intended to be covered by the scope under the term “certain parts thereof” are any brazed subassembly consisting of any two or more of the following components: a valve body, field connection tube, factory connection tube or valve charge port. The valve body is a rectangular block, or brass forging, machined to be hollow in the interior, with a generally square shaped seat (bottom of body). The field connection tube and factory connection tube consist of copper or other metallic tubing, cut to length, shaped and brazed to the valve body in order to create two ports, the factory connection tube and the field connection tube, each on opposite sides of the valve assembly body. The valve charge port is a service port via which a hose connection can be used to charge or evacuate the refrigerant medium or to monitor the system pressure for diagnostic purposes.

The scope includes frontseating service valves of any size, configuration, material composition or connection type. Frontseating service valves are classified under subheading 8481.80.1095, and also have been classified under subheading 8415.90.80.85, of the Harmonized Tariff Schedule of the United States (“HTSUS”). It is possible for frontseating service valves to be manufactured out of primary materials other than copper and brass, in which case they would be classified under HTSUS subheadings 8481.80.3040, 8481.80.3090, or 8481.80.5090. In

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<sup>6</sup> The frontseating service valve differs from a backseating service valve in that a backseating service valve has two sealing surfaces on the valve stem. This difference typically incorporates a valve stem on a backseating service valve to be machined of steel, where a frontseating service valve has a brass stem. The backseating service valve dual stem seal (on the back side of the stem), creates a metal to metal seal when the valve is in the open position, thus, sealing the stem from the atmosphere.

addition, if unassembled or incomplete frontseating service valves are imported, the various parts or components would be classified under HTSUS subheadings 8481.90.1000, 8481.90.3000, or 8481.90.5000. The HTSUS subheadings are provided for convenience and customs purposes, but the written description of the scope of this order, available in *Antidumping Duty Order: Frontseating Service Valves from the People's Republic of China*, 74 FR 19196 (April 28, 2009), remains dispositive..

## **DISCUSSION OF THE ISSUES**

Comment 1: Surrogate Country Selection

Comment 2: Surrogate Value for Brass Bar and Rod

Comment 3: Surrogate Value for Brass Scrap

Comment 4: Financial Ratios

Comment 5: Brokerage and Handling for DunAn

Comment 6: Use of Historical FOPs for Models Produced Prior to the POR for DunAn

Comment 7: Sanhua's Brass Scrap Generation Is Overstated

### **Comment 1: Surrogate Country Selection**

- Petitioner asserts that in NME cases, section 773(c)(4) of the Act requires factors of production to be valued in surrogate countries that are both (a) comparable in terms of economic development, and (b) significant producers of comparable merchandise.
- Petitioner contends that WTA import values are available for each of these six countries for the direct materials, energy, and packaging inputs used in the manufacture of subject merchandise. Petitioner notes that, based on export data for the period of review, Thailand is the most significant producer of comparable merchandise, followed by Ukraine and South Africa. Petitioner also notes that the Department used Thailand as the surrogate country in the antidumping investigation of galvanized steel wire from the PRC.
- Sanhua contends that Petitioner has failed to present any valid arguments supporting the use of Thailand as a surrogate country. According to Sanhua, Petitioner misunderstands the Department's surrogate-country-selection process. Sanhua maintains that the Department has three threshold criteria for selecting a surrogate country: (1) economic comparability; (2) comparable merchandise; and, (3) significant producer. Sanhua asserts that Petitioner is silent on the first two criteria, and that Petitioner doesn't claim that the Philippines is not a significant producer, but only that Thailand is a more significant producer. Sanhua also argues that Petitioner's has not challenged the Department's preliminary results with respect to its determination that the Philippines is a significant producer of the subject merchandise.
- Sanhua maintains that, if only one country survives the first three tests, the Department then selects that country as the surrogate country. If more than one country passes the first three tests, Sanhua argues that the Department examines the quality of the data to determine which country should be the surrogate country. Sanhua asserts that Petitioner is silent with respect to the quality of the available data in the Philippines, and thus, Sanhua contends, Petitioner did not challenge the Department's determination with respect to the quality of data available in the Philippines and/or Thailand.

- Sanhua challenges Petitioner's right to incorporate Petitioner's Surrogate Value Submission by reference, without identifying which arguments should be incorporated. Specifically, citing CFR 351.309(c)(2), Sanhua claims that "[T]he case brief must present all arguments that continue in the submitter's view to be relevant to the Secretary's final determination or final results, including any arguments presented before the date of publication of the preliminary determination or preliminary results." Thus, Sanhua claims that Petitioner's reference to information or arguments included in a previous submission, without specifically identifying the specific information or arguments or including them in the case brief, is legally insufficient to raise such arguments in the briefing stage of the review. In addition, Sanhua argues that in *Corus Staal* (Fed. Cir. 2007) and *Jiaying Brother Fastener* (CIT 2010), the Courts have refused to address issues that were not included in the case and/or rebuttal briefs of the respective investigation or review.

**Department's Position:** When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs it to base NV, in most circumstances, on the NME producer's FOPs, valued in a surrogate ME country or countries considered to be appropriate by the Department. In accordance with section 773(c)(4) of the Act, in valuing the FOPs, the Department shall utilize, to the extent possible, the prices or costs of FOPs in one or more ME countries that are: (1) at a level of economic development comparable to that of the NME country; and (2) significant producers of comparable merchandise.<sup>7</sup>

As we explained in the *Preliminary Results*, we selected the Philippines as the primary surrogate country *vis-a-vis* Thailand, because (1) the Philippines is at a level of economic development comparable to that of the PRC;<sup>8</sup> (2) the Philippines, in terms of total value of net exports, is a significant producer of comparable merchandise;<sup>9</sup> and, (3) the Philippines provides the best opportunity to use quality, publicly available data to value the FOPs, including surrogate financial data. Therefore, we have followed the Department's practice with respect to surrogate country selection,<sup>10</sup> and made no changes to our analysis for the final results of review.

We do not agree with Petitioner that the Department should use Thailand as a surrogate country. There is no evidence on the record to support Petitioner's claim that the GTA data for Thailand includes the quality data for every raw material, energy, and packing material required to value the subject merchandise. Petitioner's SV submissions failed to provide SV's from Thailand for over two-thirds of the materials for which we require SV information.<sup>11</sup> Moreover, none of the Thai financial statements on the record represent producers of comparable merchandise.<sup>12</sup> In addition, we note that although Petitioner pointed out that the Department used Thailand as the surrogate country in the antidumping investigation of galvanized steel wire from the PRC,

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<sup>7</sup> See *Policy Bulletin 04.1*.

<sup>8</sup> See *Policy Memorandum*.

<sup>9</sup> See DunAn's Surrogate Country Selection Letter at 2-3 and Exhibit 1.

<sup>10</sup> See *Policy Bulletin 04.1* at 2. See also *FMTC/PRC/AD Final* (1/18/2011) and accompanying Issues and Decision Memorandum at Comment 1; *WBF/PRC/AD Final* (8/22/2007) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>11</sup> See Petitioner's Surrogate Value Submission at Attachment 1; see also Petitioner's Supplemental Surrogate Value Submission at 1-2.

<sup>12</sup> See *Preliminary Results*, 77 FR at 26495. In addition, please see our discussion on Financial Ratios at Comment 4 below.

Petitioner's Surrogate Country Selection Comments failed to explain whether, why, or how the fact pattern in that case is relevant to the instant review.

We further agree with Sanhua's description of the Department's selection process for determining the surrogate country. The Department's *Policy Bulletin* outlines the procedure for identifying the countries, which are at a level of economic comparability:

First, early in a proceeding, the operations team sends the Office of Policy ("OP") a written request for a list of potential surrogate countries. In response, the OP provides a list of potential surrogate countries that are at a comparable level of economic development to the NME country. The OP determines economic comparability on the basis of per capita gross national income, as reported in the most current annual issue of *World Development Report* (The World Bank). The surrogate countries on the list are not ranked and should be considered equivalent in terms of economic comparability.<sup>13</sup>

On September 22, 2011, the OP provided the Department with a list of countries found to be economically comparable to the PRC.<sup>14</sup> The Policy Memorandum explains that "the six countries on the non-exhaustive list below are at a level of economic development comparable to China in terms of per capita gross national income ("GNI"). Per capita {GNI} is the primary basis for determining economic comparability."<sup>15</sup> The Policy Memorandum states further:<sup>16</sup>

For purposes of selecting a surrogate country, you should, . . . treat the six countries listed below as being equally comparable in terms of economic development and determine which, if any, is a significant producer of merchandise comparable to FSVs. The statute does not define "significant" or "comparable," although "comparable" encompasses a larger set of products than "like product." We have in past cases identified comparable merchandise on the basis of similarities in production factors (physical and non-physical) and factor intensities.

As Petitioner's Surrogate Country Selection Comments point out, all six of the countries determined to be economically comparable to the PRC have significant exports of subject merchandise.<sup>17</sup> Therefore, the Department's Policy Memorandum explains that:<sup>18</sup>

If you find that more than one of the six countries satisfies both statutory requirements then you should, if possible, narrow the field to a single country on the basis of data availability and quality. . . . all else being equal and to the extent possible, you should use broad, publicly available price measures.<sup>19</sup>

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<sup>13</sup> See *Policy Bulletin 04.1* at 2.

<sup>14</sup> See Policy Memorandum at 2.

<sup>15</sup> See Policy Memorandum at 1.

<sup>16</sup> See *Id.*

<sup>17</sup> See Petitioner's Surrogate Country Selection Comments at 2.

<sup>18</sup> See Policy Memorandum at 1.

<sup>19</sup> See *Id.* at 1 (citations omitted).

As a result, we selected the Philippines as our surrogate country because of the availability and quality of the data, including financial statements, with which to value the material and packing inputs used in the subject merchandise.<sup>20</sup> Moreover, the fact that Thailand exported more than the Philippines does not mean that the Philippines is not a significant producer. Finally, we disagree with Sanhua that the Petitioner has no right to incorporate by reference its earlier submissions on the records. In this instance, Petitioner has incorporated arguments that are relevant and appear on the record of this review. The Department has permitted parties to do so in the past.<sup>21</sup> Thus, we have addressed the issues Petitioner raised in Petitioner's Surrogate Country Comments in these final results.

## **Comment 2: Surrogate Value for Brass Bar and Rod**

- Petitioner contends that the Department erroneously valued both brass bar and brass rod at PHP 228.26 (\$5.12) per KG using Philippine HTS 7407.21.1000, "bars and rods." Citing to data that it submitted after the *Preliminary Results*, Petitioner contends that values for brass bar and brass rod ranged from PHP 295.26 to PHP 388.31 per KG for brass and bronze ingots, and from PHP 359.40 to PHP 420.50 per KG for non-leaded brass and bronze ingot, as recorded on the website metalprices.com. Petitioner contends that the value the Department determined for brass bar and rod in the *Preliminary Results* is lower than the value the Department determined for brass scrap during the preliminary results of review. According to Petitioner, such a value is impossible in a real commercial context, because if scrap were more valuable than raw material, all prime material would be immediately sold as scrap for a profit rather than processed into a finished product. Therefore, for the final results, Petitioner claims that the Department should value brass bar and rod using the simple average value of the brass bar and rod as recorded on metalprices.com – 328.18 per KG – for brass ingots.
- DunAn disagrees both that the Department improperly valued brass bar and brass rod in the preliminary results and with Petitioner's argument for using a higher value for brass bar and brass rod. According to DunAn, other than noting the apparent anomaly with respect to the relative value of brass bar and rod and brass scrap, Petitioner did not explain why the Department should not value brass bar and rod using GTA Philippine import data under HTS 7407.21.10.00.
- DunAn claims, rather, that the Philippine import data meets all of the requirements for the selection of surrogate values enumerated in *Fish Fillets/Vietnam AD Final* (07/07/2010), *i.e.*, the Philippine import statistics recorded in the GTA are: publicly available; contemporaneous with the POR; representative of a broad market average covering a range of prices; from an approved surrogate country; specific to the input in question; and, tax exclusive.
- In addition, DunAn claims that *Taian Ziyang (CIT 2011)* established product specificity as the paramount consideration in surrogate value selection stating "all of the criteria outlined in Policy Bulletin 04.1 may be important. But they are not equally important. As a matter of

<sup>20</sup> See *Preliminary Results*, 77 FR at 26490.

<sup>21</sup> See, *e.g.*, *Tires/PRC/AD Final* (07/15/2008) and accompanying Issues and Decision Memorandum at Comments 1 and 2.

pure logic, first among them must be ‘product specificity.’” DunAn contends that, although the brass/bronze ingot prices reported on metalprices.com are contemporaneous with the POR, the prices recorded on metalprices.com do not represent the input used to produce the subject merchandise, unlike the Philippine import statistics.

- Specifically, DunAn contends bronze ingots and brass bar and rod differ significantly in material composition, stage of processing, and end use. DunAn claims brass and bronze are not the same metal alloys; and that ingots are semi-finished goods, whereas brass bars and rods are finished goods. Thus, DunAn argues that the two products have different end uses.
- DunAn claims that the GTA Philippines import data for brass bar and rod is based on multi-country data, whereas Petitioner’s metalprices.com data represents imports from a single country alone, the United States, and contains only six price points during the POR. Moreover, DunAn notes that the GTA Philippines import data for brass bar and rod already incorporates data on brass bar and rod imported from the United States and that, when viewed alone, the data on brass bar and rod imported from the United States is the highest in the world and higher than the AUV of bronze ingots imported into the Philippines from the United States.
- DunAn argues that, therefore, the Department should continue to value brass rod based on the GTA Philippines import data under HTS 7407.21.10.00 for brass bar and rod for the purposes of the final results.
- Sanhua argues that Petitioner’s suggested SVs for brass bar and brass rod derived from metalprices.com are improperly argued as well as not viable. Sanhua maintains that section 351.309(c)(2) of the Department’s regulations requires parties to include in the case brief all arguments relevant to the final results. Moreover, Sanhua argues that in *Corus Staal* (Fed. Cir. 2007) and *Jiaying Brother Fastener* (CIT 2010), both the CIT and the CAFC have strictly enforced the principle of exhaustion in trade cases. Thus, Sanhua contends that in order to raise an issue before the Department, parties must include all arguments and supporting documentation in the administrative brief. Because it has not done so, Sanhua argues that Petitioner failed to provide either the Department or other parties a fair opportunity to address the issues raised in its case brief. As a result, Sanhua asserts, the Department should ignore Petitioner’s arguments for the final results.
- Sanhua maintains that even if the Department were to consider the brass bar and brass rod values found on metalprices.com, it would find:
  - Petitioner did not explain or support its contention that the GTA value is “too low;”
  - Petitioner did not explain why the information on metalprices.com is better than GTA data;
  - That the data on metalprices.com appears to refer to information not of Philippine origin (e.g., LME prices);

- Because these arguments are inadequate, Sanhua argues that the Department should not address them for the final results of this review.

**Department's Position:** For the final results, we will continue to value brass bar using HTS 7407.21.10.00, "bars, rods and profiles of copper-zinc base alloys (brass); bars and rods" as reported in the GTA for the Philippines. In selecting the best available information for valuing FOPs in accordance with section 773(c)(1) of the Act, the Department's practice is to select, to the extent practicable, information from the primary surrogate country that is publicly available; product-specific; representative of broad market average prices; contemporaneous with the POR; and free of taxes and duties.<sup>22</sup> The record shows that data in the Philippine import statistics as reported in the GTA are contemporaneous, publicly available, product-specific, free of taxes and duties, and representative of broad market average prices.<sup>23</sup> First, this publicly available data is specific because it covers the exact input used to produce subject merchandise. Second, the data is contemporaneous with the POR. Finally, the Department previously has found that data from the GTA, such as that on the record, is representative of broad market averages and free of taxes and duties.<sup>24</sup> Notably, Petitioner has not alleged that the data selected by the Department fails to satisfy any of these criteria.

We have determined not to use metalprices.com to value brass bar for the reasons stated below:

- The prices on metalprices.com are not specific to the raw material we are attempting to value. Specifically, the prices Petitioner proposed represent prices for bronze and/or prices for non-leaded brass,<sup>25</sup> neither of which, as DunAn notes, have the same material composition, stage of processing, and/or end use as the materials used to produce the subject merchandise.
- Metalprices.com records only one line item for each type of brass or bronze for which it tracks prices and does not indicate whether its reported products cover all types of brass or account for imports from around the world.<sup>26</sup> In addition, it does not identify the quantity upon which the prices are based, but rather specifies that such recorded prices are "delivered FOB from North American producer."<sup>27</sup> Thus, we agree with DunAn that the prices recorded on metalprices.com may not: (1) be comprehensive; (2) represent a broad market average; or (3) include all transactions during the POR.

We disagree with Sanhua that the Petitioner has no right to incorporate by reference its earlier submissions on the records. In this instance, Petitioner has incorporated arguments that are relevant and appear on the record of this review. The Department has permitted parties to do so

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<sup>22</sup> See, e.g., *FMTC/PRC/AD Final* (12/11/2006), and accompanying Issues and Decision Memorandum at Comment 9; *Shrimp/Vietnam/AD Prelim* (07/16/2004), 69 FR at 42682, unchanged in *Shrimp/Vietnam/AD Final* (12/08/2004), 69 FR 71005; see also *Artist Canvas/PRC/AD Final* (03/30/2006), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>23</sup> See *Preliminary Results*, 77 FR at 26493; see also *Preliminary Factor Valuation Memorandum*.

<sup>24</sup> See, e.g., *Mushrooms/PRC AD Final* (09/11/2012), and accompanying Issues and Decision Memorandum at Comment 3.

<sup>25</sup> See Petitioner's Post-Preliminary Surrogate Value Submission at Attachment 3.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*



in the past.<sup>28</sup> Thus, we have addressed the issues Petitioner raised in Petitioner's Surrogate Country Comments in these final results.

Therefore, for the final results, we shall make no changes to our valuation of brass bar and rod with respect to HTS 7407.21.10.00.

### **Comment 3: Surrogate Value for Brass Scrap**

- Petitioner contends that the Department erroneously valued brass scrap using Philippine HTS 7404.00.00.01, "copper waste and scrap; of brass." Petitioner maintains that the resulting value of PHP 367.30 (\$8.24) per KG was higher than that of the corresponding raw material input value, brass rod and bar.
- Citing *Hangers/PRC/AD Final (08/14/2008)* and accompanying Issues and Decision Memorandum at Comment 7, Petitioner claims the Department has stated that reliance on a scrap value that is higher than the value of the corresponding material input produces an unreasonable result. Thus, Petitioner argues, the Department should look to other sources for both brass and brass scrap values. In Petitioner's Post-Preliminary Surrogate Value Submission, Petitioner maintains that PAI reported on metalprices.com shows that values during the POR ranged from PHP 199.89 to PHP 250.99 per KG for secondary scrap and PHP 259.41 to PHP 334.26 per KG for brass alloy scrap. Thus, Petitioner argues that the GTA import value for brass scrap is incorrect and that the correct value should be based on secondary scrap, *i.e.*, brass scrap that will be re-melted. Therefore, for the final results, Petitioner contends that the Department should value brass scrap at 223.80 per KG based on the simple average value for secondary brass scrap reported on metalprices.com.
- DunAn disagrees with Petitioner's contention that the Department should reduce the SV for brass scrap because the SV for brass scrap exceeded the value of the SV for brass bar. DunAn contends that the Department's reliance on import data in GTA Philippines HTS 7404.00.00.01 to value brass scrap satisfies all of the Department's traditional selection criteria for the determination of a SV: (1) publicly available; (2) contemporaneous with the POR; (3) representative of a broad market average covering a range of prices; (4) from an approved surrogate country; (5) specific to the input in question; and (6) tax exclusive. DunAn argues further that, given the quality of the data used in the *Preliminary Results*, the Department should not revise its valuation of brass bar and brass rod to use less appropriate data to account for the fact that the SV for brass scrap is greater than the SV for brass rod and brass bar.
- DunAn explains that one reason why the HTS import data for scrap was higher than the HTS import data for bar and rod is because the scrap HTS encompasses many types of scrap, some of which may have been sold at higher values than rod. DunAn claims that brass scrap, unlike brass bar and rod, is a heterogeneous category, encompassing different grades of scrap (varying in their utilities and value), depending primarily on the brass article from which the scrap was derived. DunAn claims that product mix, the timing of scrap sales, the nature of customers and the quantities sold also influence the value of brass scrap. As a result, DunAn

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<sup>28</sup> See, *e.g.*, *Tires/PRC/AD Final (07/15/2008)* and accompanying Issues and Decision Memorandum at Comments 1 and 2.

argues, the Department should not reject the HTS number used for brass scrap in the preliminary results.

- DunAn argues further that the prices of secondary scrap obtained on metalprice.com is limited to imports from one country, the United States, and consists of a limited number of price points for certain enumerated grades of brass scrap.
- Finally, DunAn argues, in the event that the Department determines that the SV of brass scrap should not be greater than the SV for brass bar and rod, the Department should not adjust the SV of brass bar, and cannot value bar and rod based on the SV of bronze ingots as proposed by Petitioner. DunAn proposes instead that the Department cap the value of brass scrap at the level of the SV for brass bar and rod, thereby eliminating any potential anomaly. Alternatively, DunAn contends the Department could value brass scrap using the lowest price for secondary brass scrap on the record, which is 199.89 PhP/KG.
- Sanhua argues that Petitioner's suggested SVs for brass scrap derived from metalprices.com are improperly argued because Petitioner did not include the data underlying its arguments in its case brief. Sanhua maintains that section 351.309(c)(2) of the Department's regulations requires parties to include in the case brief all arguments relevant to the final results. Moreover, Sanhua argues that in *Corus Staal* (Fed. Cir. 2007) and *Jiaxing Brother Fastener* (CIT 2010), both the CIT and the CAFC have strictly enforced the principle of exhaustion in trade cases. Thus, Sanhua contends that in order to raise an issue before the Department, parties must include all arguments and supporting documentation in the administrative brief. Because it has not done so, Sanhua argues that Petitioner failed to provide either the Department or other parties a fair opportunity to address the issues raised in its case brief. As a result, Sanhua asserts, the Department should ignore Petitioner's arguments for the final results.
- Sanhua maintains that even if the Department were to consider the brass scrap values found on metalprices.com, it would find that:
  - Petitioner did not explain or support its contention that the GTA value is "too high;"
  - Petitioner did not explain why the information on metalprices.com is better than GTA data;
  - The data on metalprices.com appears to refer to information not of Philippine origin (e.g., LME prices);
- Because these arguments are inadequate, Sanhua argues that the Department should not address them for the final results of this review.

**Department's Position:** As previously noted, in selecting the best available information for surrogate values, the Department considers whether the information was: publicly available; product-specific; representative of broad market average prices; contemporaneous with the POR;

and free of taxes.<sup>29</sup> In the *Preliminary Results*, the Department calculated a surrogate value for brass scrap that was higher than the surrogate value calculated for brass bar and rod, brass scrap's main material input. Specifically, in the *Preliminary Results*, the calculated surrogate value for brass scrap, 367.2988 PHP/kg, was 138.9431 PHP/KG, or, 60.85 percent higher than the calculated surrogate value for brass bar and rod of 228.3557 PHP/kg.<sup>30</sup> In past instances when the price of scrap exceeded the price of the relevant material input and the price could not be explained by notes or data in the statistical database, the Department has determined the results to be "unreasonable."<sup>31</sup> The facts of this case – in which (1) no party provided an usable SV for brass scrap on the record<sup>32</sup> and (2) the selected HTS category for the valuation of brass scrap has a value greater than the value established for the raw material inputs for brass bar and rod – closely match those of the Collated Roofing Nail Remand and *Hangers/PRC/AD Final* (8/14/2008).<sup>33</sup> Moreover, as discussed below, although DunAn claims that the higher value for scrap may be explained by the fact that the relevant HTS category encompasses many types of scrap, some of which may have been sold at higher values than rod, the statistical database does not include any notes or data that support DunAn's view or explain why the prices for scrap exceed those for brass bar and rod. As a result, we have determined that reliance on this category similarly produces an unreasonable result. Therefore, in keeping with the practice established in Collated Roofing Nail Remand,<sup>34</sup> we have selected a new SV to value the reported brass scrap offset for the final results of review.

In rejecting the brass scrap value calculated using GTA import data from HTS 7404.00.00.01, we note that there is no other specific PAI value for brass scrap on the record. Section 776(a) of the Act requires use of facts otherwise available in reaching a determination when necessary information is not available on the record. Therefore, in the absence of a viable SV for brass scrap on the record, we followed the practice established in Collated Roofing Nail Remand and employed in *Hangers/PRC/AD Final* (8/14/2008) and, in accordance with section 776(a) of the Act, valued brass scrap using the surrogate value determined for the raw material input itself.<sup>35</sup> We selected the calculated surrogate value for brass bar and rod to value brass scrap because it satisfies the Department's SV selection criteria. Specifically, the publicly available data on brass bar and rod relates to the raw material from which the scrap was generated; thus, it is specific to the type of scrap at issue. The data also is contemporaneous with the POR. Finally, as noted above, the Department considers GTA data to be tax and duty free and representative of broad

<sup>29</sup> See, e.g., *FMTC/PRC/AD Final* (12/11/2006), and accompanying Issues and Decision Memorandum at Comment 9; *Shrimp/Vietnam/AD Prelim* (07/16/2004), 69 FR at 42682, unchanged in *Shrimp/Vietnam/AD Final* (12/08/2004), 69 FR 71005; see also *Artist Canvas/PRC/AD Final* (03/30/2006), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>30</sup> See Preliminary Factor Valuation Memorandum at Attachment 1.

<sup>31</sup> See, e.g., Collated Roofing Nail Remand.

<sup>32</sup> Prior to the *Preliminary Results*, DunAn's proposed HTS category, Philippine HTS 7404.00.00.01, "copper waste and scrap, of brass," was the only proposed SV value for brass scrap on the record of this review.

<sup>33</sup> See Collated Roofing Nail Remand at 5; see also *Hangers/PRC/AD Final* (8/14/2008) and accompanying Issues and Decision Memorandum at Comment 7.

<sup>34</sup> See *Hangers/PRC/AD Final* (8/14/2008) and accompanying Issues and Decision Memorandum at Comment 7; *Steel Nails/PRC/AD Final* (6/16/2008) and accompanying Issues and Decision Memorandum at Comment 10, which make similar determinations.

<sup>35</sup> See Collated Roofing Nail Remand at 3; see also *Hangers/PRC/AD Final* (8/14/2008) and accompanying Issues and Decision Memorandum at Comment 7.

market-averages.<sup>36</sup> Notably, Petitioner has not alleged that the data selected by the Department fails to satisfy any of these criteria.

We note that the data on the record included in the Philippine HTS category for brass scrap, HTS 7404.00.00.01, show imports into the Philippines. However, since Philippines HTS 7404.00.00.01 is the only category for brass scrap in the Philippine HTS system, it is an extremely broad basket category. Thus, it is not possible to determine the type of brass scrap included in any one line item of imports. Consequently, as stated above, we cannot determine the accuracy of DunAn's explanation for the reason the brass scrap prices are so high.

Also, as explained in our analysis of Comment 2, we disagree with the adequacy of the values from metalprices.com submitted by Petitioner. Specifically, the prices on metalprices.com are not specific to the raw material we are attempting to value.<sup>37</sup> Additionally, metalprices.com records only one line item for each type of brass or bronze for which it tracks prices, does not indicate whether its reported products cover all types of brass or account for imports from around the world, and does not identify the quantity upon which the prices are based.<sup>38</sup> As a result, we also have determined not to accept DunAn's proposed valuation of brass scrap using the lowest of the prices recorded for brass scrap on metalprices.com. Therefore, for these final results of review, we will value brass scrap for both DunAn and Sanhua using the Philippine HTS category for brass bars and rods, HTS 7407.21.10.00, "Bars, Rods And Profiles Of Copper-Zinc Base Alloys (Brass): Bars And Rods."

Finally, we again disagree with Sanhua that the Petitioner has no right to incorporate by reference its earlier submissions on the records. Petitioner has incorporated arguments that are relevant and appear on the record of this review. As noted above, the Department has permitted parties to do so in the past.<sup>39</sup> Thus, we have addressed the issues raised by Petitioner on this input.

#### **Comment 4: Financial Ratios**

Parties to the proceeding placed the financial statements of nine companies from two separate countries on the record of this review for consideration in these final results. Prior to the preliminary results, Petitioner placed the financial statements of Halcyon and Patkol, on the record from Thailand.<sup>40</sup> DunAn placed the financial statements of FVC Philippines and Concord Metals, from the Philippines, on the record of this review.<sup>41</sup> Since the *Preliminary Results*, Petitioner placed the financial statements of Mastercraft Philippines and San Gabriel Metal, from the Philippines on the record of this review.<sup>42</sup> DunAn placed the financial statements of Makati

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<sup>36</sup> See, e.g., *Mushrooms/PRC AD Final* (09/11/2012), and accompanying Issues and Decision Memorandum at Comment 3.

<sup>37</sup> See Petitioner's Post-Preliminary Surrogate Value Submission at Attachment 3.

<sup>38</sup> *Id.*

<sup>39</sup> See, e.g., *Tires/PRC/AD Final* (07/15/2008) and accompanying Issues and Decision Memorandum at Comments 1 and 2.

<sup>40</sup> See Petitioner's Surrogate Value Submission at Attachment 2 (for both Halcyon and Paktol).

<sup>41</sup> See DunAn's Surrogate Value Submission at Exhibits 9A and 9B.

<sup>42</sup> See Petitioner's Post-Preliminary Surrogate Value Submission at Attachments 1 and 2.

Foundry, Falcon Metal and Supercast Foundry, from the Philippines, on the record of this review.<sup>43</sup> We will discuss each financial statement in turn:

### ***FVC Philippines***

- Petitioner contends that the Department erroneously determined that FVC Philippines is the most suitable surrogate company for the purpose of determining financial ratios for manufacturing overhead, SG&A and profit. Rather, Petitioner argues that if the Department continues to use FVC Philippines, it should also use the financial statements of San Gabriel Metal Concepts and Mastercraft Philippines, both of which use brass in their production process.
- Petitioner contends that:
  - FVC Philippines produces steel valves and describes itself as a producer of industrial valves and other ferrous castings.
    - The Department has previously rejected steel valves as being comparable merchandise to FSVs or brass valves.
    - Although FVC Philippines' offers brass and bronze valves for sale on its website, nothing in its description of operations indicates that FVC Philippines used brass or similar inputs in its Philippine operations.
  - FVC Philippines is a wholly-owned subsidiary of Furukawa Kogyo of Japan, where:
    - 88.7 percent of its net sales were with its parent company.
    - It made significant purchases from its parent company, and received interest-free cash advances and rent-free land from its parent company.
    - The majority of its costs and sales were related-party transactions.
- DunAn agrees with the Department's determination to use FVC Philippines as the source of surrogate financial ratios in the *Preliminary Results* because, according to DunAn, the record of this review indicates that FVC Philippines both produces valves and consumes brass bar in its production process.
- DunAn disagrees with Petitioner's contention that the Department should reject FVC Philippines' financial statements because its transactions were not at arm's length. DunAn notes that Petitioner does not cite any statutory or regulatory authority or any administrative precedent in support of its argument that FVC's financial statements should be rejected because its transactions were not at arm's length. DunAn contends that, as stated in the *Preliminary Results*, FVC's financial statements met all of the Department's criteria for the selection of surrogate financial statements.

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<sup>43</sup> See DunAn's Post-Preliminary Surrogate Value Submission at Exhibits 1 through 3.

***Falcon, Makati, and Supercast***

- DunAn argues that the Department should select the surrogate financial statements using a two-step process, determining:
  - First, whether the proposed surrogate company produces valves and, if so, then
  - Second, whether the proposed surrogate company consumes brass in its production of valves or other brass products.
- Using this selection process, DunAn argues that the Department should select the financial statements of three Philippine valve manufacturers that it placed on the record after the preliminary results: Falcon, Makati, and Supercast. DunAn contends that all three of these companies manufacture valves and brass products and, therefore, their financial statements are more representative of respondents' production experience than FVC Philippines.
- Petitioner disagrees with DunAn's contention that the criteria for selection of surrogate financial statements should be limited to whether the company produces valves, and whether the company consumes brass in the production of valves or other brass products in order to meet the requirement of 19 CFR 351. 408(c)(4), which requires the Department to base if surrogate financial ratios on non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country.
- Specifically, Petitioner contends that DunAn's arguments with respect to Falcon, Makati and Supercast should be rejected because there is no evidence on the record that these companies produce brass valves or machine brass.

***San Gabriel and Mastercraft Philippines***

- Petitioner contends that the Department should consider San Gabriel and Mastercraft Philippines to be valid sources of surrogate financial ratios in addition to FVC Philippines because both companies produce items from brass. Petitioner maintains that, despite the great variety of products manufactured by these two companies, they each use brass as a major input, and produce brass products. Petitioner claims that the Department has recognized in the past that using similar key inputs is an important consideration in assessing comparability.
- DunAn claims that it is the Department's practice to select only those surrogate financial statements that are most specific to the production of the subject merchandise, considering not only the raw materials used in manufacturing, but also the physical characteristics and end uses of the finished product. DunAn contends that in past segments of this proceeding, the Department rejected the use of several financial statements where the companies did not produce valves. Therefore, DunAn argues that the Department's primary consideration should be whether or not the surrogate company produces valves. DunAn cited the following cases in support of its position: *Tissue Paper/PRC/AD Final* (02/14/2005) and accompanying Issues and Decision Memorandum at Comment 2; *Steel Nails/PRC AD Final* (06/16/2008) and accompanying Issues and Decision Memorandum at Comment 11;

*Frontseating Service Valves/PRC AD Final* (03/13/2009) and accompanying Issues and Decision Memorandum at Comment 1; and *Frontseating Service Valves/PRC AD Final* (11/15/2011) and accompanying Issues and Decision Memorandum at Comment 1. Thus, DunAn and Sanhua contend that the Department should reject San Gabriel and Mastercraft Philippines in their selection of surrogate financial statements because neither company produces valves.

- DunAn notes that it provided substantial evidence on the record demonstrating that furniture and home accessories, such as lamps and jewelry boxes, are not considered comparable to valves under either the UNISIC or the Tariff and Customs Code of the Philippines, which is based on the HTS, because valves, furniture and jewelry each fall under different classification categories.

### ***Halcyon and Paktol***

- DunAn contends that the Department was correct in rejecting the financial statements of Halcyon and Paktol because:
  - They are both located in Thailand, which is not the primary surrogate country;
  - Neither company produces comparable merchandise.<sup>44</sup>
  - There is no record evidence of either company being involved in valve manufacturing.

**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."<sup>45</sup> 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 manufacturing overhead, general expenses, and profit.<sup>46</sup> 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.<sup>47</sup> For purposes of selecting surrogate producers, the Department examines how similar a proposed surrogate producer's production experience is to the NME

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<sup>44</sup> Halcyon is engaged in manufacturing, customized production, and distribution of poly crystalline diamond ("PCD") cutting tools to serve the manufacturers of electronic parts and the auto parts industries. Paktol is a producer of machinery and equipment and a supplier of engineering services in the ice making, commercial cool-store, and freezing industries; a producer of dairy, tuna, shrimp, and alcoholic beverage processing equipment; and a supplier of services for the on-site fabrication, transportation, and installation of tanks and/or plant and tank relocation. See Petitioner's Surrogate Value Submission at Attachment 2.

<sup>45</sup> See e.g., *Pure Magnesium/PRC/AD Final* (12/23/2010) and accompanying Issues and Decision Memorandum at Comment 2; *Lined Paper/PRC/AD Final* (09/08/2006) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>46</sup> See *Shrimp/PRC/AD Final* (09/12/2007) and accompanying Issues and Decision Memorandum at Comment 2.

<sup>47</sup> See *Woven Electric Blankets/PRC/AD Final* (07/02/2010) and accompanying Issues and Decision Memorandum at Comment 2; *Pencils/PRC/AD Final* (07/25/2002) and accompanying Issues and Decision Memorandum at Comment at Comment 5.

producer's.<sup>48</sup> 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.”<sup>49</sup> The Department also rejects financial statements of surrogate producers whose production process is not comparable to the respondent's production process when better information is available.<sup>50</sup> The Department generally prefers to rely on more than one surrogate financial statement.<sup>51</sup>

In light of parties' arguments, after examining the nine financial statements on the record of this review, we have determined that the financial statements of two companies, FVC Philippines and Makati Foundry, 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:

- **Halcyon and Paktol:** As DunAn noted, we rejected these companies in the *Preliminary Results* because they did not produce merchandise that is identical or comparable to subject merchandise and because they were not located in the primary surrogate country.<sup>52</sup> None of the parties to the proceeding placed any information or argument on the record advocating for the use of 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.
- **Concord Metals:** We rejected this company in our *Preliminary Results* because its financial statements indicate that all of its merchandise consists of purchased goods,<sup>53</sup> and its website indicates that products it sells may have been produced in the PRC.<sup>54</sup> No information or argument was placed on the record subsequent to the *Preliminary Results* to cause us to reconsider our determination in the *Preliminary Results*.
- **Falcon Metals:** Falcon Metal's financial statements do not identify the type of merchandise produced or the raw materials used in their production.<sup>55</sup> Although DunAn placed information on the record from two separate, third-party, business-directory websites associating Falcon Metals with “valves,”<sup>56</sup> neither website specifically identifies Falcon Metals as a producer of identical or comparable merchandise or

<sup>48</sup> See *OCTG/PRC/AD Final* (04/19/2010) and accompanying Issues and Decision Memorandum at Comment 13.

<sup>49</sup> See *id.* (citing *Nation Ford* (Fed. Cir. 1999); *Magnesium Corp.* (Fed. Cir. 1999)).

<sup>50</sup> See *Persulfates/PRC/AD Final* (02/09/2005) and the accompanying Issues and Decision Memorandum at Comment 1.

<sup>51</sup> See e.g., *Coated Free Sheet/PRC/AD Final* (10/25/2007) and accompanying Issues and Decision Memorandum at Comment 3B; *Brake Rotors/PRC/AD Final* (07/13/2004) and accompanying Issues and Decision Memorandum at Comment 2.

<sup>52</sup> See *Preliminary Results*, 77 FR at 26494, 26495.

<sup>53</sup> See DunAn's Surrogate Value Submission at Exhibit 9A, Notes to the Financial Statements, at note 7.

<sup>54</sup> See Preliminary Factor Valuation Memorandum at 11 and Attachment 9.

<sup>55</sup> See DunAn's Post-Preliminary Surrogate Value Submission at Exhibit 1A.

<sup>56</sup> See DunAn's Post-Preliminary Surrogate Value Submission at Exhibit 1B.



provides any information that can be corroborated. Specifically, <http://www.philippinecompanies.com/companyprofile/38132/falcon-metal-corporation><sup>57</sup> states that the business type for Falcon Metals is Industrial Services and Equipment. Listed on the website on that web page are the words “Falcon faucets and valves; metal castings of brass, bronze, or copper alloy;” but, the website does not specify whether Falcon Metals is a producer or reseller of those items. In addition, the information is not dated. The second third-party website, <http://www.wand.com/core/companyTypes.aspx?mfgcode=9754014&Info=FALCON+METAL+CORPORATION><sup>58</sup> has no information concerning Falcon Metals, other than its name, location, fax and phone number. Although the word “valves” appears on this page, it is in the context of directing customers to search for more companies in that industry. Therefore, this website does not identify what Falcon Metals produces. Falcon Metals does not appear to have a website. Therefore, because we are not certain that Falcon Metals produces identical or comparable merchandise, and because we have two other usable financial statements on the record, we will disregard Falcon Metals financial statements for the determination of the surrogate financial statements in the final results of review.

- **Mastercraft Philippines and San Gabriel:** Mastercraft Philippines’s financial statements do not identify the type of merchandise produced or the raw materials used in their production.<sup>59</sup> Petitioner placed information on the record from two separate, third-party, business directory websites indicating that Mastercraft Philippines provides products or services consisting of faucets; valves; metal castings of brass, bronze, or copper alloy; and/or fire protection equipment or foundry equipment.<sup>60</sup> However, these websites do not indicate whether Mastercraft Philippines is a producer or reseller of the merchandise advertised on this website.<sup>61</sup> Therefore, because there is nothing on the record that identifies what Mastercraft Philippines produces, we can make no determination whether Mastercraft Philippines produces identical or comparable merchandise.

San Gabriel Metal’s financial statements do not identify the type of merchandise produced or the raw materials used in their production.<sup>62</sup> Petitioner placed information on the record from San Gabriel Metal’s website showing that the company produces candle holders, lamps, jewelry boxes, book ends, bowls chargers, novelties, busts, painting, trays and vases, religious souvenirs, reliquaries, urns, golf trophies, shell inlays, and monstrances.<sup>63</sup> We agree with DunAn that furniture and home accessories are not comparable to valves, and there is no information or evidence on the record that the production process for such products is representative of the production experience of producers of the subject merchandise.

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<sup>57</sup> See *id.*

<sup>58</sup> See *id.*

<sup>59</sup> See Petitioner’s Post-Preliminary Surrogate Value Submission at Attachment 2.

<sup>60</sup> See *id.*

<sup>61</sup> See *id.*

<sup>62</sup> See Petitioner’s Post-Preliminary Surrogate Value Submission at Attachment 1.

<sup>63</sup> *Id.*

Finally, with respect to DunAn's remaining arguments, it is the Department's practice to determine the comparability of the merchandise produced by surrogate producers on a case-by-case basis, based on the information on the record of the proceeding at issue.<sup>64</sup> Although industrial and/or tariff classification systems such as the UNISIC and/or the Philippine HTS system are descriptive and illustrative, we cannot determine whether a product is comparable to subject merchandise based on their classification system alone.<sup>65</sup>

- **Supercast Foundry:** Supercast Foundry's financial statements do not identify the type of merchandise produced or the raw materials used in their production.<sup>66</sup> DunAn placed information on the record from a third-party business-directory website indicating that Supercast provides products or services consisting of water pumps, cast iron fittings, valves, hydrants, parts for mining, cement, machinery, automotive, and construction industry.<sup>67</sup> However, this website does not indicate whether Supercast Foundry produces or resells the merchandise advertised on this website. As result, nothing on the record of this review indicates whether Supercast Foundry produces identical or comparable merchandise.

Therefore, the Department will rely upon the financial statements of FVC Philippines and Makati Foundry as the basis of our financial ratios for the final results for the following reasons:

- **Specificity:** FVC Philippines website indicates that it is a producer of cast iron valves serving the petroleum and chemical industry, the machinery and shipbuilding industries, the paper manufacturing and spinning industries, the electric power industry, and the gas and water service industry.<sup>68</sup> Makati Foundry's website indicates that it produces butterfly valves, air release valves, check valves, float valves, and MF gate valves, and other types of valves used in the water industry.<sup>69</sup> Thus, Makati's own information confirms that it produces valves. As a consequence, FVC Philippines and Makati are the only companies that produce valves among the companies whose financial statements are on the record of this review.
- **Contemporaneity:** Both financial statements cover the period calendar year 2010, which has an 8-month overlap with the POR.<sup>70</sup>
- **Quality of the Data:** The financial statements of each company are complete and sufficiently detailed to disaggregate materials, labor, overhead, and SG&A expenses.<sup>71</sup>

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<sup>64</sup> See *Steel Threaded Rod/PRC/AD Final* (2/27/2009) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>65</sup> See *TRBs/PRC/AD Final* (01/22/2009) and accompanying Issues and Decision Memorandum at Comment 5.

<sup>66</sup> See DunAn's Post-Preliminary Surrogate Value Submission at Exhibit 3A.

<sup>67</sup> *Ibid.* at 3B.

<sup>68</sup> See DunAn's Surrogate Value Submission at Exhibit 9B.

<sup>69</sup> *Id.* at Exhibit 2B.

<sup>70</sup> *Id.* at Exhibits 2B, 9B.

<sup>71</sup> *Id.*

There is no record evidence to indicate that either received benefits that the Department has a basis to believe or suspect to be countervailable. Both companies earned a profit.<sup>72</sup>

We disagree with Petitioner's contention that FVC Philippines does not produce comparable merchandise. Although FVC Philippines' products are not identical to the merchandise sold by respondents, it produces valves, and as a result, its products and production process most closely represent the production experience of the respondents. Thus, the Department considers the FVC Philippines statement to represent the best available information on the record.

We disagree with Petitioner's characterization that the Department previously determined that steel valves are not comparable to the merchandise under review. Because there is no hierarchy for applying the above-mentioned criteria for determining comparability for the purposes of selecting which financial statements to use, the Department's practice is to evaluate the record evidence and make such decisions on a case-by-case basis.<sup>73</sup> In the previous review, we rejected the financial statements of two metal valve producers because we had better information on the record – that is, the financial statement of a company that consumes significant amounts of brass and produced products similar to subject merchandise – and because Petitioner failed to support its position that metal valves were comparable to brass valves.<sup>74</sup> However, in the instant review, none of the surrogate producers whose financial statements are on the record produce brass valves.. In addition, none of the surrogate producers who produce valves appear to have significant consumption of brass.<sup>75</sup> Although we prefer to select companies that produce brass valves, and/or consume a significant amount of brass, there are no financial statements of such companies on the record of this review. Therefore, we will select the financial statements of the companies on the record of this review that produce the products which are most similar to the subject merchandise, which, in this case, are producers of metal valves.

We agree with Petitioner and DunAn that FVC Philippines is a wholly-owned subsidiary of Furukawa Kogyo of Japan and that most of FVC Philippines' transactions are with its parent company in Japan. We agree with DunAn that there is no statutory or regulatory authority which prohibits the Department from using financial statements that have few arms-length transactions. As a result, in the past, the Department has declined to consider a financial statement with few arms-length transactions only when there is affiliation between the source of the data and the interested party submitting the data under the theory of conflict of interest.<sup>76</sup> Because FVC Philippines is not affiliated with

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<sup>72</sup> *Id.*

<sup>73</sup> See *Steel Threaded Rod/PRC/AD Final* (2/27/2009) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>74</sup> See our discussion of Oswal Industries and Rane Engine Valve in *See Frontseating Service Valves/PRC AD Final* (11/15/2011) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>75</sup> See DunAn's Surrogate Value Submission at Exhibit 9B; DunAn's Post-Preliminary Surrogate Value Submission at Exhibit 2.

<sup>76</sup> See *HRCS Flat Products/Romania/AD Final* (06/14/2005) and accompanying Issues and Decision Memorandum at 38.

any of the parties to the proceeding,<sup>77</sup> their related party transactions do not constitute a conflict of interest for the purposes of the selection of surrogate financial statements. Therefore, we will continue to use the financial statements of FVC Philippines for the final results of this review.

#### **Comment 5: Brokerage and Handling for DunAn**

- DunAn claims that for the Preliminary Results, the Department calculated brokerage and handling using a price list concerning export procedures necessary to export a standardized cargo of goods in the Philippines, as published in the World Bank's *Doing Business 2012, Economy Profile: Philippines* publication. DunAn states that it does not object to the source of the data used. However, DunAn disagrees with the Department's assumption that the maximum cargo weight of a standard 20 foot container is 21,727 KG because it provided record evidence demonstrating that a 20 foot container has a capacity of 28.2 metric tons. Moreover, DunAn claims that the Department accepted the weight of 28.2 metric tons for a 20 foot container in the CVD Investigation of galvanized steel wire from China. Therefore, DunAn argues that the Department should modify its calculation to use the amount of 28.2 metric tons as the correct capacity for a 20 foot container in calculating brokerage and handling.
- Petitioner disagrees that the Department should calculate the surrogate value for brokerage and handling based on a standard weight of 28.2, rather than 21.7, metric tons per container. Petitioner contends that the Department should not use any given weight, much less the maximum permissible weight, just because it did so in another proceeding. Petitioner claims that many products will have shipping weights far below the maximum. Petitioner notes that DunAn did not base its arguments on record evidence concerning the actual shipping weight of transactions on the record. Moreover, Petitioner contends that record evidence does not support a container weight of either 28.2 or 21.7 metric tons per container.
- Petitioner contends that sales documentation provided in Exhibit A-11 of DunAn's AQR was illegible, but that Exhibit 4 of DunAn's 3<sup>rd</sup> SQR included legible shipping documents covering transactions on the record. Therefore, Petitioner argues that for the final results, the Department should base the SV for brokerage and handling expenses on the average of the shipping weights reported in Exhibit 4 DunAn's 3<sup>rd</sup> SQR.

**Department's Position:** We disagree that we should make any changes to the calculation of brokerage and handling for the final results of review. As previously noted, in selecting the best available information for surrogate values, the Department considers whether the information was: publicly available; specific to the input in question; representative of broad market average prices; contemporaneous with the POR; and free of taxes. The data satisfies each of these criteria, as explained below.

In the *Preliminary Results*, we calculated brokerage and handling, as we did in the previous review,<sup>78</sup> using a price list covering the fees required to export a standardized cargo of goods in the Philippines, as published in the World Bank's *Doing Business 2012, Economy Profile*:

<sup>77</sup> See DunAn's Surrogate Value Submission at Exhibit 9B, note 15 for a list of related party transactions.

<sup>78</sup> See Final Factor Valuation Memorandum of the 08/10 Review at Attachment 9.

*Philippines* publication.<sup>79</sup> In addition, we used the information in that publication to extrapolate the cost for a standard 40 foot container.<sup>80</sup> Specifically, the brokerage and handling costs used to calculate the surrogate value were based upon the assumption that a 20-foot container contained 21,727 kg of product.<sup>81</sup> To calculate the surrogate value for brokerage and handling, we divided the total charges for a 20 foot container by the maximum cargo weight of the standard 20 ft container and then increased that figure by a ratio calculated to discern the surrogate value for a standard 40 foot container.<sup>82</sup>

In these final results, we continue to calculate the per unit surrogate value for brokerage and handling by dividing the brokerage and handling costs identified in *Doing Business 2012, Economy Profile: Philippines*. The data from this source satisfied the Department's criteria for selecting surrogate values. Specifically, we have previously found that the publicly available information in the "*Doing Business*" series represents broad market averages.<sup>83</sup> Using averages means that actual brokerage and handling costs will be higher for some customers and lower for others due to various factors, including shipping density.<sup>84</sup> Moreover, the data is contemporaneous with the POR and is specific because it covers the exact input used to produce and sell subject merchandise.<sup>85</sup> Therefore, the data satisfies these surrogate value criteria, and as DunAn does not contest these conclusions in its case and/or rebuttal brief.

We disagree with DunAn's request to alter the assumed maximum load for a standard 20 foot container defined in the *Doing Business 2012, Economy Profile: Philippines*. Unlike the World Bank data, the information on the Maersk Lines website that DunAn proposed,<sup>86</sup> represents the offerings of a single vendor and, therefore, is not based on broad market averages. The Maersk Lines website provides a maximum weight, and does not explain the circumstances under which containers could support such weight. As a result, without additional information, the Department cannot determine whether the prices listed in the document are contemporaneous or specific to the input at issue. Therefore, we decline to use the data submitted by DunAn.

Although we agree with Petitioner that the shipping information DunAn provided in Exhibit A-11 of its AQR was illegible, we disagree with Petitioner that we should use DunAn's actual container weight, reported in Exhibit 4 of DunAn's 3<sup>rd</sup> SQR, as the basis for calculating brokerage and handling, because the resulting surrogate value would have a proprietary component, and thus would not be publicly available. Pursuant to 19 CFR 351.408(c)(1), the Department "normally" will value a respondent's factor of productions using publicly available information. Therefore, because the record contains publicly available information for this input that substantially satisfies the surrogate value selection criteria, we will make no changes to our calculation of the weight of the container for the determination of brokerage and handling for the final results.

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<sup>79</sup> See Preliminary Factor Valuation Memorandum at 12.

<sup>80</sup> See Preliminary Factor Valuation Memorandum at Attachment 12.

<sup>81</sup> See *id.*

<sup>82</sup> See *id.*

<sup>83</sup> See *Hand Trucks/PRC* (June 21, 2011) and accompanying Issues and Decision Memorandum at Comment 8; see also *Tires/PRC/AD Final* (03/12/2012) and accompanying Issues and Decision Memorandum at Comment 11.

<sup>84</sup> *Id.*

<sup>85</sup> See Preliminary Factor Valuation Memorandum at Attachment 12.

<sup>86</sup> See DunAn's Post-Preliminary SV Submission at Exhibit 7A.

**Comment 6: Use of Historical FOPs for Models Produced Prior to the POR for DunAn**

- DunAn maintains that it advised the Department in its original DQR that the valve bodies of the three models of FSVs sold in the United States during this review, POR 2, were produced during the immediately preceding review, POR 1. As a consequence, DunAn submitted the factors of production information for these valve bodies using POR 1 data. DunAn claims that it recognizes that its fact pattern is unusual, but contends that it reported its FOPs in this manner because it believes that this reporting methodology is reasonable and conforms to the Department's practice.
- DunAn claims that between December 14, 2011 and March 22, 2012, it responded to four supplemental questionnaires pertaining to its original section D response. DunAn maintains that the Department did not ask it to revise its initial methodology in any of these supplemental questionnaires. DunAn contends that it complied fully with all of the Department's requests for information and documentation regarding its Section D, factors of production database.
- DunAn contends that on April 10, 2012, eight months after the submission of its original DQR, the Department advised DunAn for the first time that it should report the FOPs of its unaffiliated tollers based on their production of brass bar in POR 2 rather than POR 1.
- DunAn claims that for the purposes of the preliminary results, the Department used DunAn's reported FOPs that it would make its final determination "based on DunAn's full set of questionnaire responses, including its response to the Department's 5th Supplemental Questionnaire, as appropriate."
- On June 1, 2012, DunAn notes that it responded to the Department's April 10, 2012 supplemental questionnaire, and submitted all FOP data as requested, including data obtained from tollers representing approximately 80 to 85 percent of brass scrap sent to the tollers and brass bar received from the tollers. According to DunAn, the remaining tollers advised DunAn that they were unable to provide the requested information. DunAn explains that it used the same methodology to prepare this database that it used to provide the FOPs of brass tollers in POR 1.
- DunAn argues that the Department should calculate DunAn's FOPs based on the manner reported by DunAn in its original DQR – that is, by valuing its FOPs using either POR1 or POR2 data, depending upon the period in which that production stage was undertaken. DunAn claims that this methodology most accurately compares the actual FOPs used to produce the subject merchandise with the prices at which the subject merchandise is sold for exportation to the United States. Moreover, DunAn claims that it conforms with Department practice established in previous cases, where the respondent similarly did not produce during the POR all the models sold during the POR and, thus, reported FOPs based on the period in which the models were produced.<sup>87</sup> As a result of these cases, DunAn claims that the

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<sup>87</sup> In support of its position, DunAn cites *PRCBs/PRC/AD Prelim* (09/10/2007), 72 FR at 51592; *PRCBs/PRC/AD Prelim* (09/09/2008), 73 FR at 52286; *SSWR/India/AD Prelim* (09/12/2007), 72 FR at 52081; *AFBs/Germany/AD Final* (07/11/1991) and accompanying Issues and Decision Memorandum at Comment 12.

Department should calculate DunAn's FOPs in the same manner as in the preliminary results, based on data from the period of time when the components actually were produced.

- If the Department declines to use the data as originally submitted, DunAn argues that the Department should calculate the AD margin using DunAn's 5<sup>th</sup> SQR of June 1, 2012. DunAn claims that it fully responded to the Department questions when it submitted FOP data based on production taking place solely in POR 2. DunAn maintains that this data includes the FOPs representing 80 to 85 percent of the brass scrap sent to, and the brass bar received from, the tollers. Thus, DunAn maintains that the Department should follow the precedent set in POR 1 and accept the toller FOPs as reported. DunAn contends that it has co-operated to the best of its ability and has submitted FOP data from its largest brass bar toilers, representing over 80 percent of recycled brass bar used by DunAn in the production process. Thus, DunAn argues that the Department should apply FA without an adverse inference in accordance with section 776(a) of the Act for purposes of valuing the remaining brass bar produced by tollers who did not provide data to DunAn.
- Petitioner disagrees with DunAn's contention that it should report its FOPs based on the POR in which each manufacturing step was completed. In addition, Petitioner disagrees with DunAn's claim that its proposed methodology comports with the Department's practice.
- Petitioner asserts that DunAn's 5th SQR was not complete. In addition, Petitioner also claims that DunAn admits that its response is incomplete, by virtue of DunAn's explanation that the data obtained from tollers represents 80 to 85 percent of the brass scrap sent to the toilers and/or brass bar received from the tollers.
- Petitioner argues that the uncooperative tollers who did not provide information to DunAn could be the least efficient tollers in the group. Thus, Petitioner asserts that an adverse inferences in the form of partial FA is warranted. Petitioner argues that an adverse inference could be applied to 20 percent of reported brass consumption by assuming the highest reported material consumption factor for any product.

**Department's Position:** For the final results, we have valued all of DunAn's brass consumption using the FOPs reported in DunAn's 5<sup>th</sup> SQR.

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.

For the final results, the Department has applied FA without an adverse inference in accordance with section 776(a) of the Act. As FA, we are applying the value for brass bar and rod determined for this review, to all of DunAn's brass bar and rod consumption, as reported in its 5<sup>th</sup> SQR. The approach taken by the Department is identical to what it took in other proceedings

with similar facts.<sup>88</sup> DunAn complied with the Department's request to report the FOPs of its unaffiliated tollers based on their production of brass bar in POR 2 rather than POR 1.<sup>89</sup> While we note that DunAn was unable to provide the requested FOP information for certain unaffiliated brass bar tollers, the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination.<sup>90</sup> We further 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. Specifically, DunAn attempted in good faith to obtain FOP data from all the tollers that it used to produce brass bars from scrap.<sup>91</sup> DunAn provided adequate documentation demonstrating that certain tollers refused to provide FOP data requested by DunAn.<sup>92</sup> 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.<sup>93</sup> 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; instead, we determine that DunAn responded fully to all the Department's requests for information.<sup>94</sup>

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 do not reconcile. Thus, we determine that there is sufficient information on the record for calculating the FOPs of DunAn's brass bar tollers.

However, the Department disagrees that DunAn should be allowed to report its FOPs using the novel reporting methodology that it used in its original DQR, that is, by reporting FOP values based on either POR1 or POR2 consumption values, depending upon when each step of the production process was completed. Although DunAn cited a number of cases in support of its position,<sup>95</sup> none of the cases support the methodology that DunAn proposes. Rather, in each instance cited, the Department permitted respondents to report the FOPs (or the cost of production) for certain models based on information from a prior POR only when those models were completed in the prior POR.<sup>96</sup> This comports with the practice stated in our standard questionnaire: that companies should report FOPs in the period in which they are produced.<sup>97</sup> In

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<sup>88</sup> See e.g., *Frontseating Service Valves/PRC AD Final* (11/15/2011) and accompanying Issues and Decision Memorandum at Comment 12; *Steel Nails/PRC/AD Final* (3/23/2011) and accompanying Issues and Decision Memorandum at Comment 17.

<sup>89</sup> See, generally, DunAn's 5<sup>th</sup> SQR.

<sup>90</sup> Section 782(e)(3) of the Act.

<sup>91</sup> See DunAn's April 20, 2012 Extension Request at 4 and Exhibit 1;

<sup>92</sup> *Id.*

<sup>93</sup> See DunAn's 5<sup>th</sup> SQR at 2.

<sup>94</sup> See, e.g., DunAn's 2<sup>nd</sup> SQR, 4<sup>th</sup> SQR and 5<sup>th</sup> SQR.

<sup>95</sup> *PRCBs/PRC/AD Prelim* (09/10/2007), 72 FR at 51592; *PRCBs/PRC/AD Prelim* (09/09/2008), 73 FR at 52286; *SSWR/India/AD Prelim* (09/12/2007), 72 FR at 52081; *AFBs/Germany/AD Final* (07/11/1991) and accompanying Issues and Decision Memorandum at Comment 12.

<sup>96</sup> See *Id.*

<sup>97</sup> See Department's Original Questionnaire at D-1.



addition, it is the treatment that we afforded DunAn. Specifically, DunAn completely produced one model prior to the POR.<sup>98</sup>

In contrast, DunAn's proposed methodology splits the reporting of the FOPs for two models, both of which were produced during the current POR, between two different PORs based on the time period in which the individual production steps occurred. DunAn has provided neither a legal or methodological basis, nor a case precedent for its novel methodology. Therefore, we will continue to use the methodology outlined in Department's Original Questionnaire.<sup>99</sup> As DunAn narrated above, it complied with the Department's requests for information. Therefore, we will base our margin calculations for the final results on the information reported in DunAn's 5<sup>th</sup> SQR.

#### **Comment 7: Sanhua's Brass Scrap Generation Is Overstated**

- Petitioner argues that Sanhua overstated the amount of brass scrap generated in the production of subject merchandise and that scrap offsets must be limited to the lesser of what was generated from the production of subject merchandise or what was sold. Further, Petitioner asserts that the scrap offsets cannot result in direct material consumption amounts that are lower than the finished product weights.
- Petitioner contends that Sanhua reported model-specific brass scrap quantities that are higher than the brass inputs (rod and bar) used in the production process for some models. Therefore, Petitioner argues that the rates of scrap generated are not product-specific or supported in Sanhua's DQR. To support this argument, Petitioner states that Sanhua reported a total net sales weight that was greater than its reported net material consumption. Further, Petitioner notes an even greater difference between Sanhua's gross sales weight and net production weight.
- Petitioner contends that Sanhua's scrap offset encompasses production of subject and non-subject merchandise because the reported total scrap sold exceeds the total amount of scrap generated during the POR for the production of subject merchandise.
- Petitioner asserts that this discrepancy is more pronounced on a product-specific basis and that many of the top CONNUMs by production volume have lower reported net input weights than finished product weights.
- Petitioner thus claims that the allocation methodology used by Sanhua is not reasonable and must be addressed by the Department in one of two ways: (1) increase reported brass consumption wherever the difference in reported net materials weight exceeds sold weight; or (2) increase all reported direct material input quantities to account for the under-reporting of direct materials and packing.<sup>100</sup>

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<sup>98</sup> See DunAn's DQR at 2.

<sup>99</sup> See Department's Original Questionnaire at D-1.

<sup>100</sup> See Petitioner's Case Brief at 12-13.

- Sanhua contends that Petitioner should have raised its arguments prior to the filing of its case brief. Had Petitioner inquired earlier, Sanhua could have supplied the record with any additional information that might have been necessary.
- Sanhua argues that it has established its generation of brass scrap and the allocation of the scrap to individual products. Sanhua states that brass scrap was not overstated, noting that valve bodies are hollow and it is, therefore, not unusual to yield high scrap amounts for some valve bodies. Further, Sanhua emphasizes that brass scrap recovery rates are normally high due to impurities and oil that collect in the scrap; thus, the finished product weight plus scrap can be greater than the material input amount.
- Sanhua states that it is unreasonable to allege that brass scrap is overstated based on the input amount minus scrap amount being less than the standard production weight because there is normal tolerance for the product weights. Further, Sanhua argues that it is unreasonable to compare the scrap amount (A) from its FOP database, which includes only the scrap amount for models of products sold during POR, with the total produced and sold amount (B), which includes scrap generated by all models of products produced during POR.
- Sanhua states that it is not possible to record scrap on a product-specific basis and, therefore, the scrap amount must be obtained for each product model by allocating the total scrap over all product models. Thus, Sanhua contends that its brass scrap was reasonably reported on the basis of product weight since heavier product generates more scrap.
- Finally, Sanhua submits that there is no basis to adjust only the “overstated” CONNUMs and not the “understated” ones, as Petitioner proposed. If the Department has to adjust the “overstated” CONNUMs down, then it currently must adjust the “understated” CONNUMs up. Such an approach would result in the by-product for all CONNUMs being reported on a “theoretical” basis.
- In sum, Sanhua argues that its by-product scrap amount was correctly reported per the Department’s requirements because documents and worksheets that Sanhua placed on the record demonstrate that: (1) it produced scrap from the production of subject merchandise; (2) it sold the scrap generated from the production of subject merchandise and reported the sold amounts of scrap which did not exceed the produced amounts; (3) Sanhua did not keep a scrap record that tracks to specific products, but instead reported scrap based on records maintained in the normal course of business; and (4) Sanhua allocated the scrap using a reasonable method.

**Department’s Position:** The Department has determined to allow, in part, the by-product offset claimed by Sanhua for brass scrap. It is the Department’s practice to accept allocation methodologies that are shown to be reasonable and are based on the respondent’s underlying books and records.<sup>101</sup> The fact that an allocation, by necessity, attributes more or less of the

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<sup>101</sup> See *Lined Paper/PRC/AD Final* (09/08/2006) and accompanying Issues and Decision Memorandum at Comments 9 and 22; *Brake Rotors/PRC/AD Final* (10/30/2000) and accompanying Issues and Decision Memorandum at Comment 5.

material allocated to each product than the product actually uses does not render the allocation methodology unreasonable.<sup>102</sup>

The Department's regulations provide general rules whereby the Department will accept allocation methodologies as deemed appropriate. For example, pursuant to 19 CFR 351.401(g)(1), the Department “may consider allocated expenses and price adjustments when transaction-specific reporting is not feasible,” provided that the Department determines “that the allocation method used does not cause inaccuracies or distortions.” This principle applies to Sanhua’s allocation of scrap generation, where we determined that product-specific reporting was not feasible. In determining the feasibility of product-specific reporting on the part of Sanhua, we are guided by 19 CFR 351.401(g)(3), which states that the Department “will take into account the records maintained by the party in question in the ordinary course of its business, as well as such factors as the normal accounting practices in the country and industry in question . . . .”

In the original investigation, the respondent’s allocation methodology allocated more scrap to some products, and less scrap to others, resulting in some products having less total inputs necessary, by weight, to produce the product, once scrap is deducted.<sup>103</sup> The Department examined the books and records of the respondent and determined that its methodology was reasonable.<sup>104</sup> The respondent in that case, as in the present case, did not track whether the scrap was generated in the production of subject or non-subject merchandise and allocated its brass scrap by taking the total actual amount of brass scrap generated and collected and dividing it by the total standard amount of scrap expected to be generated in the production of all merchandise in those workshops, to derive a variance of between the actual and standard scrap values.<sup>105</sup> The respondent then applied this variance to the per-unit standard amount of scrap of each model of subject merchandise to allocate the scrap to the subject merchandise as specifically as possible.<sup>106</sup>

We also determined in the original investigation that the respondent’s allocation methodology was not distortive because total net FOPs for all products were greater than the total weight of all products. However, because it is the Department’s practice not to accept inputs insufficient to produce the merchandise,<sup>107</sup> we reduced the amount of the by-product offset for the two models for which the net FOPs weigh less than the weight of the finished products, so that their net FOPs equal the actual weight of the finished products.

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<sup>102</sup> See *Frontseating Service Valves/PRC AD Final* (03/13/2009) and accompanying Issues and Decision Memorandum at Comment 12j; see also *Lined Paper/PRC/AD Final* (09/08/2006) and accompanying Issues and Decision Memorandum at Comment 22.

<sup>103</sup> See *Frontseating Service Valves/PRC AD Final* (03/13/2009) and accompanying Issues and Decision Memorandum at Comment 12j.

<sup>104</sup> *Id.*

<sup>105</sup> *Id.*

<sup>106</sup> *Id.*

<sup>107</sup> See *Non-Malleable CIPF/PRC/AD Final* (12/01/2006) and accompanying Issues and Decision Memorandum at Comment 1.

In this review, Sanhua states that it has not changed its allocation methodology since the original investigation.<sup>108</sup> It allocated the total quantity of scrap generated during the POR to each specific model based on the weight of the finished product.<sup>109</sup> As a result, we find that Sanhua's accounting system does not allow it to allocate brass scrap by product. Moreover, as in the original investigation, we also find that Sanhua's allocation methodology is reasonable because it continues to follow the same method outlined above. Finally, for the same reasons articulated in the final results of the investigation and as discussed above, we find that Sanhua's allocation methodology is not distortive. However, as in the final results of the investigation and consistent with our practice,<sup>110</sup> we will reduce the amount of the brass scrap and copper scrap by-product offset for the models for which the net FOPs weigh less than the weight of the finished products, thereby equalizing the net FOP weight and the reported actual weight of the finished products. This results in a net surplus of FOPs compared to the weight of the finished products.<sup>111</sup>

Petitioner's assertion that "scrap offsets must be limited to the lesser of what was generated from the production of subject merchandise or what was sold" is incorrect. It is the Department's practice to allow a scrap offset for all scrap generated in production that can be shown to have commercial value.<sup>112</sup> Likewise, Petitioner's assertion that Sanhua reported model-specific brass scrap quantities that are too high compared to the brass inputs (rod and bar) used in the production process is without merit, as Petitioner puts forth no evidence to support the contention that this amount of scrap generation is erroneous.

Regarding Petitioner's argument that the scrap offset is over-reported because the reported total scrap sold exceeds the total amount of scrap generated during the POR for the production of subject merchandise, we agree with Sanhua that this argument is unfounded. Petitioner calculates the total amount of scrap it believes should have been generated based on Sanhua's FOP database for those products sold during the POR. However, the total of the scrap produced was based on all models produced during the POR (*i.e.*, subject and non-subject merchandise).<sup>113</sup> Thus, it is reasonable that the total produced would be a higher amount. Moreover, that the methodology used by Sanhua accounts for scrap generated in the production of non-subject merchandise, along with the production of subject merchandise, does not, on its own, render Sanhua's methodology unreasonable. The Department previously has found as reasonable a methodology similar to that used by Sanhua in this review, where the respondent allocated the consumption amount over the net weight of finished goods.<sup>114</sup>

The Department does not find compelling Sanhua's assertions that brass scrap is not overstated. Sanhua asserts that its brass scrap is not overstated and that any seeming surplus can be explained by the fact that (1) brass scrap recovery rates are high due to impurities and oil that

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<sup>108</sup> See Sanhua's DQR at 1.

<sup>109</sup> See Sanhua's DQR at 19 and Exhibits D-8a, D-10a, and D-10d.

<sup>110</sup> See *Non-Malleable CIPF/PRC/AD Final* (12/01/2006) and accompanying Issues and Decision Memorandum at Comment 1.

<sup>111</sup> See Sanhua's Analysis Memo for a BPI discussion of this issue.

<sup>112</sup> See *Wood Flooring/PRC/AD Final* (10/18/2011) and accompanying Issues and Decision Memorandum at Comment 23; see also *Silicon Metal/PRC/AD Final* (09/05/2012) and accompanying Issues and Decision Memorandum at Comment 3.

<sup>113</sup> See Sanhua's DQR at 19 and Exhibits D-8a, D-10a, and D-10d.

<sup>114</sup> *Brake Rotors/PRC/AD Final* (10/30/2000) and accompanying Issues and Decision Memorandum at Comment 5.

collect in the scrap; and (2) there is a tolerance for the product weight that is not accounted for. We do not find these arguments supported by the record. It is well-established that the interested party in possession of the relevant information has the burden of establishing the amount and nature of a particular adjustment to normal value.<sup>115</sup> In the instant case, we find that Sanhua points to no evidence on the record to support its contentions. Accordingly, we will reduce the amount of the brass scrap and copper scrap by-product offset for the models for which the net FOPs weigh less than the weight of the finished products, as described above.

Finally, with respect to Sanhua's view that Petitioner's arguments are untimely, the Department invited interested parties to comment on the *Preliminary Results*.<sup>116</sup> Petitioner timely and properly has raised its claim consistent with the relevant regulation.<sup>117</sup> Thus, Sanhua's argument is without merit.

## 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 \_\_\_\_\_

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Paul Piquado  
Assistant Secretary  
for Import Administration

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Date

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<sup>115</sup> See 19 CFR 351.401(b); see also *PRCBs/PRC/AD Final* (03/17/2008) and accompanying Issues and Decision Memorandum at Comment 7.

<sup>116</sup> See *Preliminary Results*, 77 FR at 26496.

<sup>117</sup> See Petitioner's Case Brief.

<b><i>List Of Abbreviations And Acronyms Used In This Memorandum</i></b> <b><i>All cites in this table are listed alphabetically by short cite</i></b>	
<b>Acronym/Abbreviation</b>	<b>Full Name</b>
AUV	Average Unit Value
CAFC	Court of Appeals of the Federal Circuit
CIT	Court of International Trade
Concord Metals	Concord Metals
DQR	Section D Questionnaire Response
FA	Facts Available
Falcon Metal	Falcon Metal Corp.
FOP	Factors Of Production
FSVs	Frontseating Service Valves
Furukawa Kogyo	Furukawa Kogyo Co. Ltd.
FVC Philippines	FVC Philippines Inc.
GTA	Global Trade Atlas
Halcyon Technology	Halcyon Technology Public Company Limited
HTS	Harmonized Tariff System
ISRI	Institute of Scrap Recycling Industries, Inc.
KG	KGs
LME	London Metal Exchange
Makati Foundry	Makati Foundry Inc.
Mastercraft Philippines	Mastercraft Philippines Inc.
ME	Market Economy
NAICs	North American Industry Classification System
NME	Non-Market Economy
NV	Normal Value
Oswal Industries	Oswal Industries Limited
PAI	Publicly Available Information
Paktol	Patkol Public Company Limited
PHP	Philippine Pesos
POR	Period Of Review
POR1	FSVs First Period Of Review (October 22, 2008 To March 31,

<b><i>List Of Abbreviations And Acronyms Used In This Memorandum</i></b> <b><i>All cites in this table are listed alphabetically by short cite</i></b>	
<b>Acronym/Abbreviation</b>	<b>Full Name</b>
	2010)
POR2	FSVs Second Period Of Review (April 1, 2010 To March 31, 2011)
PRC	People's Republic Of China
San Gabriel Metal	San Gabriel Metal Concepts
SG&A	Selling, General And Administrative Expenses
Supercast Foundry	Supercast Foundry And Machinery Corp.
SV	Surrogate Value
The Act	Tariff Act Of 1930, As Amended
The Department	The Department Of Commerce
UNISIC	United Nations' International Standard Of Industrial Classification
WTA	World Trade Atlas

<b><i>Antidumping/Countervailing Duty Proceeding Federal Register Cite Table</i></b> <b><i>All cites in this table are listed alphabetically by short cite</i></b>	
<b>Short Cite</b>	<b>Long Cite</b>
<i>AFBs/Germany/AD Final (07/11/1991)</i>	<i>Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From the Federal Republic of Germany: Final Results of Antidumping Duty Administrative Review, 56 FR 31692 (July 11, 1991)</i>
<i>Artist Canvas/PRC/AD Final (03/30/2006)</i>	<i>Final Determination of Sales at Less Than Fair Value: Certain Artist Canvas from the People's Republic of China, 71 FR 16116 (March 30, 2006)</i>
<i>Brake Rotors/PRC/AD Final (07/13/2004)</i>	<i>Brake Rotors From the People's Republic of China: Final Results and Partial Rescission of the Sixth Antidumping Duty Administrative Review and Final Results of the Ninth New Shipper Review, 69 FR 42039 (July 13, 2004)</i>
<i>Brake Rotors/PRC/AD Final (10/30/2000)</i>	<i>Brake Rotors From the People's Republic of China: Final Results of Third New Shipper Review and Final Results and Partial Rescission of Second Antidumping Duty Administrative Review, 65 FR 64664 (October 30, 2000)</i>
<i>Coated Free Sheet/PRC/AD Final (10/25/2007)</i>	<i>Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from the People's Republic of China, 72 FR 60632 (October 25, 2007)</i>

<b><i>Antidumping/Countervailing Duty Proceeding Federal Register Cite Table</i></b> <b><i>All cites in this table are listed alphabetically by short cite</i></b>	
<b>Short Cite</b>	<b>Long Cite</b>
<i>CSBWPF/PRC/AD Final (5/18/92)</i>	<i>Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Butt-Weld Pipe Fittings From the People's Republic of China, 57 FR 21058, 21062-21063 (May 18, 1992).</i>
<i>EMD/PRC/AD Final (08/18/2008)</i>	<i>Electrolytic Manganese Dioxide From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 73 FR 48195 (August 18, 2008)</i>
<i>Fish Fillets/Vietnam AD Final (07/07/2010)</i>	<i>Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the Fifth New Shipper Review, 75 FR 38985 (July 7, 2010)</i>
<i>FMTC/PRC/AD Final (1/18/2011)</i>	<i>Folding Metal Tables and Chairs From the People's Republic of China: Final Results of 2007-2008 Deferred Antidumping Duty Administrative Review and Final Results of 2008-2009 Antidumping Duty Administrative Review, 76 FR 2883 (January 18, 2011)</i>
<i>FMTC/PRC/AD Final (12/11/2006)</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 (03/13/2009)</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)</i>
<i>Frontseating Service Valves/PRC AD Final (11/15/2011)</i>	<i>Frontseating Service Valves From the People's Republic of China: Final Results of the 2008- 2010 Antidumping Duty Administrative Review of the Antidumping Duty Order, 76 FR 70706 (November 15, 2011)</i>
<i>Garlic/PRC AD Final (6/22/2007)</i>	<i>Fresh Garlic from the People's Republic of China: Final Results and Partial Rescission of the Eleventh Administrative Review and New Shipper Reviews, 72 FR 34438 (June 22, 2007)</i>
<i>Hand Trucks/PRC/AD Final (06/21/2011)</i>	<i>Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results and Final Rescission in Part, of Antidumping Duty Administrative Review, 76 FR 36083 (June 21, 2011)</i>
<i>Hangers/PRC/AD Final (08/14/2008)</i>	<i>Steel Wire Garment Hangers from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 73 FR 47587 (August 14, 2008)</i>
<i>Hangers/PRC/AD Final (8/14/2008)</i>	<i>Steel Wire Garment Hangers from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 73 FR 47587 (August 14, 2008)</i>



<b><i>Antidumping/Countervailing Duty Proceeding Federal Register Cite Table</i></b> <b><i>All cites in this table are listed alphabetically by short cite</i></b>	
<b>Short Cite</b>	<b>Long Cite</b>
<i>HRCS Flat Products/Romania/AD Final (06/14/2005)</i>	<i>Certain Hot-Rolled Carbon Steel Flat Products From Romania: Final Results of Antidumping Duty Administrative Review, 70 FR 34448 (June 14, 2005)</i>
<i>Lined Paper/PRC/AD Final (09/08/2006)</i>	<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)</i>
<i>Mushrooms/PRC/AD Final (09/11/2012)</i>	<i>Certain Preserved Mushrooms from the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 77 FR 55808 (September 11, 2012)</i>
<i>Non-Malleable CIPF/PRC/AD Final (12/01/2006)</i>	<i>Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 71 FR 69546 (December 1, 2006)</i>
<i>OCTG/PRC/AD Final (04/19/2010)</i>	<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>Pencils/PRC/AD Final (07/25/2002)</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)</i>
<i>Persulfates/PRC/AD Final (02/09/2005)</i>	<i>Persulfates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 70 FR 6836 (February 9, 2005)</i>
<i>PRCBs/PRC/AD Final (03/17/2008)</i>	<i>Polyethylene Retail Carrier Bags from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Partial Rescission of Review, 73 FR 14216 (March 17, 2008)</i>
<i>PRCBs/PRC/AD Prelim (09/09/2008)</i>	<i>Polyethylene Retail Carrier Bags From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, 73 FR 52282 (September 9, 2008)</i>
<i>PRCBs/PRC/AD Prelim (09/10/2007)</i>	<i>Polyethylene Retail Carrier Bags from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission of Review, 72 FR 51588 (September 10, 2007)</i>
<i>Preliminary Results</i>	<i>Frontseating Service Valves From the People's Republic of China: Preliminary Results of the 2010–2011 Antidumping Duty Administrative Review, 77 FR 26489 (May 4, 2012)</i>

<b><i>Antidumping/Countervailing Duty Proceeding Federal Register Cite Table</i></b> <b><i>All cites in this table are listed alphabetically by short cite</i></b>	
<b>Short Cite</b>	<b>Long Cite</b>
<i>Pure Magnesium/PRC/AD Final (12/23/2010)</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)</i>
<i>SDGEs/PRC/AD Final (7/11/2012)</i>	<i>Small Diameter Graphite Electrodes From the People's Republic of China: Final Results of the Antidumping Duty Administrative Review, 77 FR 40854 (July 11, 2012)</i>
<i>Shrimp/PRC/AD Final (09/12/2007)</i>	<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)</i>
<i>Shrimp/Vietnam/AD Final (09/11/2012)</i>	<i>Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review, 77 FR 55800 (September 11, 2012)</i>
<i>Shrimp/Vietnam/AD Final (12/08/2004)</i>	<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/AD Prelim (07/16/2004)</i>	<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>Silicon Metal/PRC/AD Final (09/05/2012)</i>	<i>Silicon Metal from the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 77 FR 54563 (September 5, 2012)</i>
<i>SSWR/India/AD Prelim (09/12/2007)</i>	<i>Stainless Steel Wire Rods from India: Preliminary Results of Antidumping Duty Administrative Review and Notice of Intent to Rescind Antidumping Duty Administrative Review in Part, 72 FR 52079 (September 12, 2007)</i>
<i>Steel Nails/PRC/AD Final (3/23/2011)</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)</i>
<i>Steel Nails/PRC/AD Final (6/16/2008)</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)</i>
<i>Steel Threaded Rod/PRC/AD Final</i>	<i>Certain Steel Threaded Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 74 FR 8907</i>

<b><i>Antidumping/Countervailing Duty Proceeding Federal Register Cite Table</i></b> <b><i>All cites in this table are listed alphabetically by short cite</i></b>	
<b>Short Cite</b>	<b>Long Cite</b>
(2/27/2009)	(February 27, 2009)
<i>Stilbenic OBAs/PRC/AD Final (3/26/2012)</i>	<i>Certain Stilbenic Optical Brightening Agents From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 77 FR 17436 (March 26, 2012)</i>
<i>Tires/PRC/AD Final (03/12/2012)</i>	<i>Certain New Pneumatic Off-the-Road Tires From the People's Republic of China: Final Results of the 2009-2010 Antidumping Duty Administrative Review and Final Rescission, in Part, 77 FR 14495 (March 12, 2012)</i>
<i>Tires/PRC/AD Final (07/15/2008)</i>	<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)</i>
<i>Tissue Paper/PRC/AD Final (02/14/2005)</i>	<i>Notice of Final Determination of Sales at Less Than Fair Value: Certain Tissue Paper Products from the People's Republic of China, 50 FR 7475 (February 14, 2005)</i>
<i>TRBs/PRC/AD Final (01/22/2009)</i>	<i>Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 74 FR 3987 (January 22, 2009)</i>
<i>WBF/PRC/AD Final (08/11/2011)</i>	<i>Wooden Bedroom Furniture From the People's Republic of China: Final Results and Final Rescission in Part, 76 FR 49729 (August 11, 2011)</i>
<i>WBF/PRC/AD Final (8/22/2007)</i>	<i>Amended Final Results of Antidumping Duty Administrative Review and New Shipper Reviews: Wooden Bedroom Furniture From the People's Republic of China, 72 FR 46957 (August 22, 2007)</i>
<i>Wood Flooring/PRC/AD Final (10/18/2011)</i>	<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>Woven Electric Blankets/PRC/AD Final (07/02/2010)</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)</i>

<p align="center"><b>Short Cite Table For Litigation</b></p> <p align="center"><i>All cites in this table are listed alphabetically by short cite</i></p>	
<b>Short-Cite</b>	<b>Full Cite</b>
<i>Corus Staal</i> (Fed. Cir. 2007)	<i>Corus Staal BV v. United States</i> , 502 F.3d 1370 (Fed. Cir. 2007)
<i>Hebei Metals</i> (CIT 2005)	<i>Hebei Metals &amp; Minerals Imp. &amp; Exp. Corp. v. United States</i> , 366 F. Supp. 2d 1264 (CIT 2005)
<i>Jiaxing Brother Fastener</i> (CIT 2010)	<i>Jiaxing Brother Fastener Co., Ltd. v. US</i> , 751 F. Supp. 2d 1345 (CIT 2010)
<i>Magnesium Corp.</i> (Fed. Cir. 1999)	<i>Magnesium Corp. of America v. United States</i> , 166 F.3d 1364, 1372 (Fed. Cir. 1999)
<i>Nation Ford</i> (Fed. Cir. 1999)	<i>Nation Ford Chem. Co. v. United States</i> , 166 F.3d 1373, 1377 (Fed. Cir. 1999)
<i>Taian Ziyang</i> (CIT 2011)	<i>Taian Ziyang Food Co. v. United States</i> , 783 F. Supp. 2d 1292, 1330 (CIT 2011)

<p align="center"><b>Unpublished Letters And Memoranda</b></p> <p align="center"><i>All cites in this table are listed alphabetically by short cite</i></p>	
<b>Acronym/Abbreviation</b>	<b>Full Name</b>
Collated Roofing Nail Remand	Final Determination Pursuant To The Remand Order From The U.S. Court Of International Trade In Paslode Division of Illinois Tool Works, Inc. v. United States, Ct. No. 97-12-02161 (January 15, 1999)
Department's 5 <sup>th</sup> Supplemental Questionnaire	Letter to DunAn, "Front Seating Service Values from the People's Republic of China: Zhejiang DunAn Hetian Metal Co., Ltd. ("DunAn"): Fifth Supplemental Questionnaire," April 10, 2012
Department's Original Questionnaire	Letter to Dunan, "Front Seating Service Valves from the People's Republic of China: Questionnaire," dated June 6, 2011
DunAn's 2 <sup>nd</sup> SQR	Letter from DunAn, "DunAn s Second Supplemental Questionnaire in the 2nd Administrative Review of the Antidumping Duty Order on Front Seating Service Valves from the People's Republic of China," dated January 31, 2012
DunAn's 3 <sup>rd</sup> SQR	Letter from DunAn, " <i>DunAn Third Supplemental Questionnaire Response</i> in the Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People's Republic of China," dated February 27, 2012
DunAn's 4 <sup>th</sup> SQR	Letter from DunAn, " <i>Fourth Supplemental Questionnaire Response</i> in the Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People's Republic of

<p align="center"><b><i>Unpublished Letters And Memoranda</i></b></p> <p align="center"><b><i>All cites in this table are listed alphabetically by short cite</i></b></p>	
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	China,” dated March 22, 2012
DunAn’s 5 <sup>th</sup> SQR	Letter from DunAn, “DunAn’s Fifth Supplemental Questionnaire Response; Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China,” dated June 1, 2012.
DunAn’s April 20, 2012 Extension Request	Letter from DunAn, “DunAn Request for Extension to respond to Fifth Supplemental Questionnaire: Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China,” dated April 20, 2012
DunAn’s AQR	Letter from DunAn, “DunAn’s Section A Questionnaire Response in the Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China,” dated July 11, 2010
DunAn’s Case Brief	Submission from DunAn, “Case Brief: Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China,” dated July 12, 2012
DunAn’s DQR	Submission from DunAn, “DunAn Sections C and D questionnaire Response in the Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China,” dated August 1, 2011
DunAn’s Post-Preliminary Surrogate Value Submission	Letter from DunAn, “DunAn’s Post-Preliminary Surrogate Value Submission: Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China,” dated June 11, 2012
DunAn’s Rebuttal Brief	Submission from DunAn, “Rebuttal Case Brief: Second Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China,” dated July 23, 2012
DunAn’s Surrogate Country Selection Letter	Letter from DunAn, “DunAn: Surrogate Country Comments in the Antidumping Duty Investigation on Frontseating Service Valves from the People’s Republic of China,” dated November 1, 2011
DunAn’s Surrogate Value Submission	Letter from DunAn, “First Surrogate Value Submission for DunAn in the Antidumping Duty Investigation on Frontseating Service Valves from the People’s Republic of China,” dated November 28, 2011
Extension of the Deadline for Final Results	Memorandum to the File, “Frontseating Service Valves from the People’s Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated August 17,

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	2012.
Final Factor Valuation Memorandum, 08-10 Review	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.
Final Factor Valuation Memorandum, Investigation	Memorandum to the File, “Antidumping Duty Investigation of Frontseating Service Valves from the People’s Republic of China: Factor Valuations for the Final Determination,” dated March 6, 2009
Petitioner’s Case Brief	Submission from Parker-Hannifin, “Frontseating Service Valves from the People's Republic of China: Petitioner’s Case Brief,” dated July 12, 2012
Petitioner’s Post-Preliminary Surrogate Value Submission	Submission from Parker-Hannifin, “Petitioner’s Submission of Surrogate Values for Final Results in the Second Administrative Review of Certain Frontseating Service Valves from the People’s Republic of China: Case No. A-570-933,” dated June 11, 2012
Petitioner’s Rebuttal Brief	Submission from Parker-Hannifin, “Frontseating Service Valves from the People’s Republic of China: Petitioner's Rebuttal Brief,” dated July 23, 2012
Petitioner’s Supplemental Surrogate Value Submission	Letter from Petitioner, “Frontseating Service Valves from the People's Republic of China: Case No. A-570-933; Response to Supplemental Surrogate Value Questionnaire by Parker Hannifin Corporation,” dated January 26, 2012
Petitioner’s Surrogate Country Selection Comments	Letter from Petitioner, “Petitioner’s Comments on Surrogate Country Selection in the Second Administrative Review of Certain Frontseating Service Valves from the People’s Republic of China: Case No. A-570-933,” dated November 1, 2011
Petitioner’s Surrogate Value Submission	Letter from Petitioner, “Petitioner’s Pre-Preliminary Results Surrogate Value Submission in the Second Administrative Review of Certain Frontseating Service Valves from the People’s Republic of China: Case No. A-570-933,” dated November 28, 2011
Policy Bulletin 04.1	Policy Bulletin 04.1: Non-Market Economy Surrogate Country Selection Process, (March 1, 2004), also available at <a href="http://ia.ita.doc.gov/policy/bull04-1.html">http://ia.ita.doc.gov/policy/bull04-1.html</a>
Policy Memorandum	Memorandum to Wendy J. Frankel, “Request for a List of Surrogate Countries for an Administrative Review of the Antidumping Duty Order on Frontseating Service Valves (“FSVs”) from the People’s Republic of China (“China”),” dated September 22, 2011
Preliminary Factor	Memorandum to the File, “2010-2011 Administrative Review of the



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Valuation Memorandum	Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China: Factor Valuation Memorandum for the Preliminary Results of Review,” dated April 30, 2012
Sanhua Final Analysis Memorandum	Memorandum to the File, “Analysis Memorandum for the Final Results of the 2010-2011 Administrative Review: Zhejiang Sanhua Co., Ltd. (“Sanhua”),” dated October 31, 2012
Sanhua’s Case Brief	Submission from Sanhua, “Certain Frontseating Service Valves from the People’ s Republic of China; A-570-933; Rebuttal Brief of Zhejiang Sanhua Co., Ltd.,” dated July 23, 2012
Sanhua’s DQR	Submission from Sanhua, “Frontseating Service Valves from the People’ s Republic of China; A-570-933; Response to Section D of the Department’s Antidumping Duty Questionnaire by Zhejiang Sanhua Co., Ltd.,” dated August 3, 2011.
Sanhua’s Rebuttal Brief	Submission from Sanhua, “Certain Frontseating Service Valves from the People’s Republic of China; A-570-933; Rebuttal Brief of Zhejiang Sanhua Co., Ltd.,” dated July 23, 2012