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Executive Director, Congressional Members.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–846]

Brake Rotors From the People's Republic of China: Rescission of Second New Shipper Review and Final Results and Partial Rescission of First Antidumping Duty Administrative Review

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

SUMMARY: On May 6, 1999, the U.S. Department of Commerce published the preliminary results of the new shipper review and partial rescission of antidumping duty administrative review of the antidumping duty order on brake rotors from the People's Republic of China. *See Preliminary Results of New Shipper Review and Preliminary Results and Partial Rescission of First Antidumping Duty Administrative Review: Brake Rotors from the People's Republic of China,* 64 FR 24322 (May 6, 1999). This review covers seven exporters of the subject merchandise to the United States, which requested the review and responded to the Department's questionnaire, and the non-market economy entity, including three non-responding companies. The period of review is October 10, 1996, through March 31, 1998. We gave interested parties an opportunity to comment on our preliminary results.

EFFECTIVE DATE: November 12, 1999.

FOR FURTHER INFORMATION CONTACT: Brian C. Smith or Terre Keaton, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–1766 or (202) 482–1280, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (''the Act'') by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all references are made to the Department's regulations at 19 CFR Part 351 (1998).

SUPPLEMENTARY INFORMATION: On April 14, 1998, the petitioner [1] requested that the Department determine, in the context of this review, whether certain exporters [2] (who had been excluded from the antidumping duty order with respect to exports of brake rotors supplied by producers that furnished the factor data upon which the exclusion was based) had shipped merchandise during the period of review (''POR'') manufactured by other producers which would be subject to review. After analyzing the relevant shipment data and conducting verification, the Department is rescinding this review in part with respect to those exporter/producer combinations because they had no shipments during the POR of merchandise subject to the antidumping duty order. Furthermore, the Department is also rescinding this review, in part, with respect to a trading company [3] which is subject to the order but which had no shipments of subject merchandise during the POR; and a trading company [4] which is subject to the order but which withdrew its request for review.

Six of the seven exporters that requested a review submitted full responses to the antidumping questionnaire were fully cooperative and are entitled to a separate rate. [5] For those six exporters, we have determined that U.S. sales have not been made below normal value. The one exporter requesting a new shipper review, Yantai Chen Fu Machinery Co., Ltd. (''Chen Fu''), did not permit the Department to verify its questionnaire response. Because the Department was unable to assure itself that Chen Fu was entitled to a separate rate, it will continue to consider Chen Fu part of the non-market economy (''NME'') entity. Therefore, we have determined that Chen Fu does not qualify as a new shipper and, accordingly, we are rescinding the new shipper review. For the NME entity (*i.e.*, People's Republic of China (''PRC'') government-controlled companies, including PRC companies [6] that did not respond to the antidumping questionnaire or did not permit verification), which is covered by the concurrent administrative review, we are basing the final results on ''facts available.''

We will instruct the U.S. Customs Service to assess no antidumping duties on entries from the six PRC exporters that cooperated in this review for which the importer-specific assessment rates are zero or *de minimis* (*i.e.*, less than 0.50 percent), and to assess duties on entries from the NME entity companies at the PRC-wide rate. Entries from all other companies during this review period (including those for which the Department has rescinded the administrative review) will be assessed at the rates applicable at the time of entry.

Background

Since the Department published in the **Federal Register** the preliminary results of its second new shipper review and first administrative review of the antidumping duty order on brake rotors from the PRC the following events have occurred.

On June 18, 1999, the Department published in the **Federal Register** a notice of postponement of the final results until no later than November 2, 1999 (64 FR 32845). On June 29, 1999, the Department provided the parties to this proceeding an additional amount of time (until July 26, 1999), to submit publicly available information for consideration in the final results. No party submitted any such additional information. On July 28 and August 2, 1999, the Department issued verification outlines to Chen Fu, to Longjing, and to the exporter/producer combinations excluded from antidumping duty order (the latter solely with respect to the question of which producers had supplied the relevant exports). *See Notice of Final Determinations of Sales*

[1] The petitioner is the Coalition for the Preservation of American Brake Drum and Rotor Aftermarket Manufacturers.

[2] These exporter/producer combinations are (1) China National Automobile Industry Import & Export Corporation (''CAIEC'') and Shandong Laizhou CAPCO Industry (''Laizhou CAPCO''); (2) Shenyang Honbase Machinery Co., Ltd. (''Shengyang Honbase'') and Laizhou Luyuan Automobile Fittings Co., Ltd. (''Laizhou Luyuan''); and (3) China National Machinery and Equipment Import & Export (Xinjiang) Co., Ltd. (''Xinjiang'') and Zibo Botai Manufacturing Co., Ltd. (''Zibo Botai'').

[3] This PRC trading company is Southwest Technical Import & Export Corporation (''Southwest'').

[4] This PRC trading company is Beijing Xinchangyuan Automobile Fittings Co., Ltd. (''Xinchangyuan'').

[5] The six exporters are (1) Jilin Provincial Machinery & Equipment Import & Export Corporation (''Jilin''); (2) Longjing Walking Tractor Works Foreign Trade Import & Export Corporation (''Longjing''); (3) Shandong Jiuyang Enterprise Corporation (''Jiuyang''); (4) Xianghe Zichen Casting Co., Ltd. (''Xianghe''); (5) Yantai Import & Export Corporation (''Yantai''); and (6) Yenhere Corporation (''Yenhere'').

[6] These PRC trading companies are Chen Fu (the new shipper) and the following companies for which the petitioner requested reviews, but which did not respond to the Department's questionnaires: (1) Hebei Metals and Minerals Import & Export Corporation (''Hebei''); (2) Qingdao Metals, Minerals & Machinery Import & Export Corporation (''Qingdao''); and (3) Shanxi Machinery and Equipment Import & Export Corporation (''Shanxi'').

at Less Than Fair Value: Brake Drums and Brake Rotors from the People's Republic of China, 62 FR 9160 (February 28, 1997) (''*Brake Rotors*'').

From August 2 through August 19, 1999, the petitioner filed comments related to the Department's conduct of verification in this case, the selection of respondents for verification and receipt of verification exhibits. In an August 4, 1999, memorandum to the file, the Department explained to the petitioner's counsel that it selected the verification site and number of companies to be verified in this case due to security/logistical considerations and Department resource constraints.

From August 9 through August 17, 1999, the Department conducted verification of the information and statements submitted by Longjing and the exporter/producer combinations excluded from this order, in accordance with 19 CFR 351.307.

In an August 20, 1999, memorandum to the file, the Department addressed the petitioner's verification concerns by stating that the Department had made decisions with respect to the verification site and number of companies verified in this case based on security/logistical considerations and the Department's resource constraints. *See* August 20, 1999, memorandum to the File from Irene Darzenta Tzafolias. The Department also informed the petitioner that although the Department's preference is to verify at the company site, it was not possible to do so in this case. Moreover, the Department explained to the petitioner that it was the decision of the Department, not of the respondents, as to which companies the Department would verify in this review. From August 30, 1999, through September 10, 1999, the Department issued its verification reports.

Because neither the respondents nor the petitioner requested a hearing, no hearing was held in this case. On September 27, 1999, the petitioner submitted its case brief. Jilin, Longjing, Jiuyang, Xianghe, Yantai, and Yenhere (hereafter referred to as the ''six respondents'') did not submit a case brief. On September 29, the Department returned the petitioner's case brief because it contained new factual information. On October 4, 1999, the petitioner resubmitted its case brief without the new factual information and the six respondents submitted their rebuttal brief.

On October 12, the Department placed on the record a memorandum which elaborated on its decision to conduct off-site verifications in this proceeding along with documentation supporting that decision. The Department provided parties two business days to submit comments on the contents of the memorandum and attached documentation. On October 14, the petitioner submitted comments. No other party submitted comments.

Scope of Reviews

The products covered by these reviews are brake rotors made of gray cast iron, whether finished, semifinished, or unfinished, ranging in diameter from 8 to 16 inches (20.32 to 40.64 centimeters) and in weight from 8 to 45 pounds (3.63 to 20.41 kilograms). The size parameters (weight and dimension) of the brake rotors limit their use to the following types of motor vehicles: automobiles, all-terrain vehicles, vans and recreational vehicles under ''one ton and a half,'' and light trucks designated as ''one ton and a half.''

Finished brake rotors are those that are ready for sale and installation without any further operations. Semi-finished rotors are those on which the surface is not entirely smooth, and have undergone some drilling. Unfinished rotors are those which have undergone some grinding or turning.

These brake rotors are for motor vehicles, and do not contain in the casting a logo of an original equipment manufacturer (''OEM'') which produces vehicles sold in the United States (*e.g.*, General Motors, Ford, Chrysler, Honda, Toyota, Volvo). Brake rotors covered in this investigation are not certified by OEM producers of vehicles sold in the United States. The scope also includes composite brake rotors that are made of gray cast iron, which contain a steel plate, but otherwise meet the above criteria. Excluded from the scope of the review are brake rotors made of gray cast iron, whether finished, semifinished, or unfinished, with a diameter less than 8 inches or greater than 16 inches (less than 20.32 centimeters or greater than 40.64 centimeters) and a weight less than 8 pounds or greater than 45 pounds (less than 3.63 kilograms or greater than 20.41 kilograms).

Brake rotors are classifiable under subheading 8708.39.5010 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of these reviews is dispositive.

Period of Reviews

The period of reviews covers the period October 10, 1996, through March 31, 1998.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(3), we have determined that, during the POR, the exporters which received zero rates in the less-than-fair-value (''LTFV'') investigation did not ship to the United States subject merchandise produced by a manufacturer whose production was not examined during the LTFV proceeding with respect to sales by the relevant exporters. Specifically, we determined that during the POR, (1) neither CAIEC nor Laizhou CAPCO exported brake rotors to the United States that were manufactured by producers other than Laizhou CAPCO; (2) neither Shenyang Honbase nor Laizhou Luyuan exported brake rotors to the United States that were manufactured by producers other than Shenyang Honbase or Laizhou Luyuan; and (3) Xinjiang did not export brake rotors to the United States that were manufactured by producers other than Zibo (*see* verification reports for CAIEC, Laizhou CAPCO, Shenyang Honbase, Laizhou Luyuan and Xinjiang dated August 30 through September 10, 1999). In order to make this determination, we confirmed shipment data furnished by the U.S. Customs Service relating to entries made by the exporters at issue by conducting verification of those exporters. Based on the results of our verification, we are rescinding this review with respect to CAIEC, Laizhou CAPCO, Shenyang Honbase, Laizhou Luyuan and Xinjiang.

Furthermore, we have rescinded this review with respect to Southwest, which reported that it made no shipments of subject merchandise during this POR, based on the results of our examination of shipment data furnished by the U.S. Customs Service. The shipment data we examined did not show U.S. entries of brake rotors during the POR from Southwest. We have also rescinded this review with respect to Xinchangyuan because it withdrew its request for review and no other interested party requested a review of this company. *See Preliminary Results* at 24323.

Rescission of New Shipper Review

We have rescinded the review of Chen Fu because Chen Fu did not allow the Department to conduct verification of its separate rates information. Therefore, we consider Chen Fu to be an uncooperative respondent and have made the adverse assumption that Chen Fu does not qualify for a separate rate and have treated it as part of the NME entity (*see* ''Separate Rates'' and ''Facts Available'' sections and Comment 1 in

the ''Interested Party Comments'' section of this notice for further discussion). As part of the NME entity, Chen Fu is not entitled to a rate as a new shipper, as the NME entity as a whole was subject to the LTFV investigation. Consequently, we are rescinding the new shipper review of Chen Fu.

Separate Rates

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and thus should be assessed a single antidumping duty deposit rate. Seven exporters submitted questionnaire responses in this review. As mentioned above, we have determined that Chen Fu does not qualify for a separate rate. (*See ''De Facto Control''* section below for further discussion).

The other six exporters that submitted questionnaire responses exhibit various ownership patterns. Xianghe is a joint venture between Chinese and U.S. companies. Yenhere is a limited liability corporation in the PRC. The four other respondents are either wholly owned by all the people (*i.e.*, Jilin, Longjing, Yantai) or collectively owned (*i.e.*, Jiuyang). For these six respondents, a separate rates analysis was conducted to determine whether the exporters are independent from government control. *See Notice of Final Determination of Sales at Less Than Fair Value: Bicycles From the People's Republic of China (''Bicycles''*), 61 FR 56570 (April 30, 1996).

To establish whether a firm is sufficiently independent from government control to be entitled to a separate rate, the Department analyzes each exporting entity under a test arising out of the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China,* 56 FR 20588 (May 6, 1991) and amplified in the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China,* 59 FR 22585 (May 2, 1994) (''*Silicon Carbide*''). Under the separate rates criteria, the Department assigns separate rates in nonmarket economy cases only if the respondent can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

1. De Jure Control

Each respondent has placed on the administrative record documents to demonstrate absence of *de jure* control, including the ''Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People,'' adopted on April 13, 1988, (''the Industrial Enterprises Law''); ''the Enterprise Legal Person Registration Administrative Regulations,'' promulgated on June 13, 1988 (''the Enterprise Registration Regulations;'' the 1990 ''Regulation Governing Rural Collectively-Owned Enterprises of PRC''; the 1992 ''Regulations for Transformation of Operational Mechanisms of State-Owned Industrial Enterprises'' (''Business Operation Provisions''); and the 1994 ''Foreign Trade Law of the People's Republic of China.''

In prior cases, we have analyzed these laws and have found them to sufficiently establish an absence of *de jure* control of companies ''owned by the whole people,'' joint ventures, privately owned enterprises or collectively owned enterprises. *See, e.g., Final Determination of Sales at Less than Fair Value: Furfuryl Alcohol from the People's Republic of China (''Furfuryl Alcohol''),* 60 FR 22544 (May 8, 1995), and *Preliminary Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China (''Drawer Slides''),* 60 FR 29571–29576 (June 5, 1995). We have no new information in this proceeding which would cause us to reconsider this determination with regard to the six respondents (*i.e.*, Jilin, Longjing, Jiuyang, Xianghe, Yantai and Yenhere) mentioned above. *See* Comment 3 in the ''Interested Party Comments'' section of this notice for further discussion.

2. De Facto Control

As stated in previous cases, there is some evidence that certain enactments of the PRC central government have not been implemented uniformly among different sectors and/or jurisdictions in the PRC. *See Silicon Carbide* and *Furfuryl Alcohol.* Therefore, the Department has determined that an analysis of de facto control is critical in determining whether the respondents are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

The Department typically considers four factors in evaluating whether each respondent is subject to de facto governmental control of its export functions: (1) whether the export prices are set by or subject to the approval of a governmental authority; (2) whether the respondent has authority to negotiate and sign contracts and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of management; and (4) whether the respondent retains the proceeds of its export sales and makes independent decisions regarding disposition of profits or financing of losses (*see Silicon Carbide* and *Furfuryl Alcohol*).

Each respondent asserted the following: (1) it establishes its own export prices; (2) it negotiates contracts without guidance from any governmental entities or organizations; (3) it makes its own personnel decisions; and (4) it retains the proceeds of its export sales, uses profits according to its business needs, and has the authority to sell its assets and to obtain loans. Additionally, the respondents' questionnaire responses indicate that company-specific pricing during the POR does not suggest coordination among exporters.

In this proceeding, the Department selected two of the seven respondents for verification, namely Chen Fu and Longjing. The Department did not select the other five respondents (*i.e.*, Jilin, Jiuyang, Xianghe, Yantai, and Yenhere) for verification in accordance with section 351.307(a) of the Department's regulations. One of the respondents selected for verification, Chen Fu, declined verification. Therefore, the Department considers Chen Fu's separate rate claim and response to be unverified (*see* discussion below).

For Longjing, the Department found no evidence at verification of government involvement in Longjing's business operations. *See* Comment 3 in the ''Interested Party Comments'' section of this notice for further discussion. Specifically, Department officials examined sales documents that showed that Longjing negotiated its contracts and set its own sales prices with its customers. In addition, the Department reviewed sales payments, bank statements and accounting documentation that demonstrated that Longjing received payment from its U.S. customers via bank wire transfer, which was deposited into its own bank account without government intervention. Finally, the Department examined internal company memoranda, such as appointment notices and election results, which demonstrated that Longjing selected its own management. *See* Department verification report on Longjing at page six, and exhibit one of the August 10, 1999, supplemental response. This information, taken in its entirety, supports a finding that there is a de facto absence of governmental control of Longjing's export functions.

With regard to Jilin, Jiuyang, Xianghe, Yantai and Yenhere, the Department

elected not to verify these companies' responses. Based on documentation contained in each company's response, the Department also finds that each of these five respondents (1) negotiated its contracts and set its own sales prices with its customers; (2) received payment from its U.S. customers via bank wire transfer, which was deposited into its own bank account without government intervention; (3) retained its profits and, where applicable, arranged its own financing; and (4) selected its own management. Consequently, we have determined that Longjing, Jilin, Jiuyang, Xianghe, Yantai and Yenhere have each met the criteria for the application of separate rates either through documentation submitted on the record subject to verification or through actual verification. *See Notice of Final Determination at Less Than Fair Value: Persulfates from the People's Republic of China,* 62 FR 27222 (May 19, 1997).

Hebei, Qingdao and Shanxi, three of the named respondents in this review, did not respond to the questionnaire issued in this review. Hebei, Qingdao and Shanxi also did not submit information which demonstrated a de jure and de facto absence of government control with respect to each company's export functions. In addition, the new shipper respondent, Chen Fu, did not allow the Department to conduct verification of its questionnaire response which contained information claiming a de jure and de facto absence of government control with respect to its export functions. Therefore, we have determined that these four companies are not entitled to separate rates in this review and will be considered to be part of the non-responding PRC NME entity. *See* Comment 1 in the ''Interested Party Comments'' section of this notice for further discussion.

Facts Available

Section 776(a)(1) of the Act mandates that the Department use the facts available if necessary information is not available on the record of an antidumping proceeding. In addition, section 776(a)(2) of the Act provides that the Department may make an adverse inference in determining the facts available where an interested party or any other person: (A) withholds information requested by the Department; (B) fails to provide requested information by the requested date or in the form and manner requested; (C) significantly impedes an antidumping proceeding; or (D) provides information that cannot be verified.

For the reasons stated above, Chen Fu, Hebei, Qingdao and Shanxi failed to demonstrate that they are entitled to separate rates and therefore are presumed to be part of the PRC NME entity. Furthermore, because the PRC NME entity did not provide a questionnaire response, it failed to cooperate to the best of its ability. *See Preliminary Results* at 64 FR 24324. When the Department must base the entire dumping margin for a respondent in an administrative review on the facts available because that respondent has failed to cooperate to the best of its ability, section 776(b) of the Act also authorizes the Department to make an adverse inference in selecting from the facts available, and to use as adverse facts available information derived from the petition, the final determination, a previous administrative review, or other information placed on the record.

As adverse facts available, imports of subject merchandise from the PRC NME entity (including Chen Fu, Hebei, Qingdao and Shanxi and any other producers/exporters which have not qualified for a separate rate in this or a prior review) will be subject to a PRC-wide rate of 43.32 percent, which is based on the highest corroborated petition rate and which is the highest rate on the record of this proceeding. Because information from the petition constitutes secondary information, section 776(c) of the Act provides that the Department shall, to the extent practicable, corroborate that secondary information from independent sources reasonably at its disposal. The Statement of Administrative Action (''SAA'') (H. Doc. 316, 103d Cong., 2nd Sess., at 870) provides that ''corroborate'' means that the Department will satisfy itself that the secondary information to be used has probative value.

During our analysis of the petition in the LTFV investigation, we reviewed all of the data submitted and the assumptions that petitioners had made when calculating estimated dumping margins. As a result of our analysis, we recalculated the petition rate during the LTFV investigation to correct the petitioner's methodology with respect to certain factor values. *See Brake Rotors* at 62 FR 9160, 9162, and Comment 1 in the ''Interested Party Comments'' section of this notice for further discussion. Thus, because we reviewed the petitioner's assumptions and the calculations from which the petition rates were derived, and made appropriate corrections, we determined in the LTFV investigation that the petition rates, as corrected, had probative value. We have no new information that would warrant reconsideration of that decision.

Comparisons

To determine whether sales of the subject merchandise by each cooperative respondent to the United States were made at less than normal value (''NV''), we compared the export price (''EP'') to the NV, as described in the ''Export Price'' and ''Normal Value'' sections of this notice, below.

Export Price

We calculated EP in accordance with section 772(a) of the Act, because the subject merchandise was sold directly by the PRC exporter to unaffiliated parties in the United States prior to importation into the United States and constructed export price methodology was not warranted based on the facts of record. We calculated EP based on the same methodology used in the preliminary results.

Normal Value

A. Non-Market Economy Status

In every case conducted by the Department involving the PRC, the PRC has been treated as an NME country. None of the parties to this proceeding has contested such treatment. Accordingly, we calculated NV in accordance with section 773(c) of the Act, which applies to NME countries.

B. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value the NME producer's factors of production, to the extent possible, in one or more market economy countries that (1) are at a level of economic development comparable to that of the NME country, and (2) are significant producers of comparable merchandise. We determined that India and Indonesia are countries comparable to the PRC in terms of overall economic development (*see* Memorandum from Office of Policy to Louis Apple, dated June 23, 1998). In addition, based on publicly available information placed on the record, we determined that India is a significant producer of the subject merchandise. Accordingly, we considered India the primary surrogate country for purposes of valuing the factors of production as the basis for NV because it meets the Department's criteria for surrogate country selection. Where we could not find surrogate factor values from India, we used values from Indonesia.

C. Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on the factors of production reported by the companies in the PRC which produced the subject merchandise for the

exporters which sold the subject merchandise to the United States during the POR. To calculate NV, the reported unit factor quantities were multiplied by publicly available Indian values or Indonesian values.

The selection of the surrogate values applied in this determination was based on the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices to make them delivered prices. For those values not contemporaneous with the POR and quoted in a foreign currency, we adjusted for inflation using wholesale price indices published in the International Monetary Fund's *International Financial Statistics.* For a complete analysis of surrogate values, *see Memorandum from the Team to the File Regarding Factors Valuation for the Final Results,* dated November 2, 1999 (''*Final Results Valuation Memorandum*'').

We calculated surrogate values based on the same methodology used in the preliminary results with the following exception—we used the verified factors of Longjing, which is both an exporter and producer of the subject merchandise (*see* Comment 2 in the ''Interested Party Comments'' section of this notice for further discussion).

Currency Conversion

We made currency conversions pursuant to section 773A(a) of the Act and section 351.415 of the Department's regulations, based on the rates certified by the Federal Reserve Bank.

Interested Party Comments

We gave interested parties an opportunity to comment on the preliminary results. We received comments only from the petitioner. We received rebuttal comments only from Jilin, Longjing, Jiuyang, Xianghe, Yantai, and Yenhere.

Comment 1: Rate Assignment for Respondents That Did Not Respond to the Department's Questionnaire or Declined Verification

The petitioner contends that, based on previous Department decisions, the Department should assign the highest petition rate rather than the PRC country-wide rate to four PRC companies (*i.e.*, Chen Fu, Hebei, Qingdao and Shanxi) which either did not respond to the Department's questionnaire or declined verification. In support of its argument, the petitioner cites to the *Final Results of Antidumping Duty Administrative Review: Extruded Rubber Thread from Malaysia,* 64 FR 12967 (March 16, 1999); the *Final Results of Antidumping Duty Administrative Review: Certain Fresh Cut Flowers from Colombia,* 61 FR 42833 (August 19, 1996); the *Final Results and Partial Recission of Antidumping Duty Administrative Review of Roller Chain, Other Than Bicycle Chain from Japan,* 63 FR 63671 (November 16, 1998); the *Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe from Romania,* 61 FR 24274 (May 14, 1996); and the *Preliminary Results of Antidumping Duty Administrative Review of Dynamic Random Access Memory Semiconductors of One Megabit or Above from the Republic of Korea,* 64 FR 30841 (June 8, 1999).

The respondent did not comment on this issue.

DOC Position

We do not agree with the petitioner. We have determined that Chen Fu, Hebei, Qingdao and Shanxi have not fully cooperated with the Department in this proceeding either because they refused to submit questionnaire responses or because they refused verification. As a general practice in NME cases, when a respondent fails to cooperate in a proceeding to such an extent that the Department cannot ascertain whether it is entitled to a separate rate, we consider such uncooperative respondents to be part of the NME entity, and, as such, subject to the PRC country-wide rate. As adverse facts available, we normally assign as the country-wide rate the highest margin in the petition. However, in the LTFV proceeding, we revised the highest rate in the petition (64.56 percent) as a result of finding through corroboration procedures that the petitioner incorrectly treated certain factory overhead items as direct materials. As a result of recalculating NV in the petition by treating those items as part of factory overhead and reassigning an Indian surrogate value to one material for which a value based on a U.S. price was incorrectly assigned, we arrived at a revised and corroborated highest petition rate for brake rotors of 43.32 percent. *See Brake Rotors* at 62 FR 9162. Therefore, we have used this corroborated rate as adverse facts available for all of the companies within the NME entity. The administrative cases relied upon by the petitioner have no applicability in this case because they involve cases in which the Department was able to corroborate the highest rate alleged in the petition or assigned as adverse facts available the highest calculated rate from the investigation to uncooperative respondents.

Comment 2: Verification of Longjing's Data

The petitioner argues that, as a result of verification, Longjing's response has been substantially revised, and that Longjing submitted new information at verification. Specifically, the petitioner claims that at verification the Department found errors in almost all of the raw material cost allocations, as well as in the labor, energy and production figures included in Longjing's response. In addition, the petitioner claims that a verification exhibit the Department collected to document Longjing's electrical usage contains electrical usage figures on an electricity vendor invoice which are inconsistent with the meter reading figures contained in Longjing's electrical records. The petitioner argues that the Department should not allow Longjing to use verification as an opportunity to reconstruct its questionnaire response, and that the errors noted in the verification report indicate that Longjing did not provide accurate and complete information prior to verification. Moreover, the petitioner claims that the number of errors noted in the verification report calls into question the reliability of information not verified. Therefore, the petitioner contends that the use of total facts available is warranted with regard to Longjing. In support of its arguments, the petitioner cites to the *Final Results of Antidumping Duty Administrative Review: Silicon Metal from Brazil,* 62 FR 1953, 1969 (January 14, 1997) (''*Silicon Metal from Brazil*''), and the *Preliminary Results of Antidumping Duty Administrative Review: Circular Welded Non-Alloy Steel Pipe and Tube from Mexico,* 64 FR 34190, 34191 (June 25, 1999) (''*Pipe and Tube from Mexico*'').

Longjing maintains that the petitioner's claim that it failed verification because of the minor changes and clarifications Longjing brought to the attention of the Department prior to the start of verification has no merit. The respondent adds that the errors in its response were minor in nature and did not affect the overall integrity of the response, and that the Department was able to verify all of Longjing's corrections as accurate and reliable.

DOC Position

We agree with Longjing. Longjing informed the Department of some minor clerical errors they found in preparation for verification at the commencement of verification. After thoroughly examining selected data reported by Longjing using standard verification techniques, we determined that these errors did not

affect the overall integrity of Longjing's Section D response. The errors that the petitioner is alleging warrant resorting to adverse facts available involve the misreporting of seven material factors, the electricity factor and the labor factors for all control numbers included in Longjing's factors of production (''FOP'') listing. We verified that all of these errors resulted from Longjing using a slightly higher than actual total production amount in its allocation methodology. Longjing alerted us to this error at the start of verification and we were able to determine the nature and extent of the error and confirm that Longjing's corrected information was accurate based on its accounting and production records. *See* verification exhibits 0, 4, 5A, 15, 16A through 16C, 18A through 18K, 21, 22, 23, and pages 13 through 18 of the September 10, 1999, Longjing verification report.

We note that although the change in the production quantity affected the allocation of more than one factor reported in the Section D listing, the resulting changes to the factor amounts reported in the Section D response (using the revised production quantity in the allocation formula) were minor in nature and had absolutely no impact on the final analysis. Moreover, the Department was able to verify all of the corrected information (*see* pages and exhibits noted above from the Longjing verification report). In addition, we examined and tested the accuracy of all of Longjing's reported factors data, and were able to determine that the only errors in Longjing's data (with the exception of one which was also minor in nature) were those brought to the Department's attention prior to the start of verification (*see* pages 4 and 5 of the Longjing verification report).

With regard to the petitioner's claim that information in one particular exhibit does not support Longjing's reported electricity factor, we find the petitioner's claim has no merit. First, the sales invoice that the petitioner claims was the only one provided by Longjing is one of several examined by the Department and/or available for examination by the Department. The Department only requested a copy of one invoice in this instance because Longjing was able to tie its worksheets showing total electricity usage for each month of the POR back to its source documentation (invoices and payment receipts) and internal records. Second, the petitioner is factually incorrect in claiming that the total kilowatt usage on the August 1997 invoice from the electricity vendor to Longjing contained in the exhibit does not reconcile to the sum of two kilowatt usage figures noted for the corresponding month on Longjing's internal energy record (*see* pages 1 and 6 of verification exhibit 23). As noted on the verification exhibit and in the verification report, Longjing apportioned part of its total factory electricity usage in each month to administrative (*i.e.,* non-production) operations as reflected in its internal energy records and accounting records (*see* page17 and verification exhibits 18I and 23 of the Longjing verification report).

Hence, for the foregoing reasons, we find the application of facts available is unwarranted in this case and have used the corrected factors data noted in the verification report for Longjing in the final results. Unlike *Pipe and Tube from Mexico,* we do not find that the data errors of Longjing were so pervasive as to prevent the Department from relying on Longjing's response for the final results. *See Pipe and Tube from Mexico* at 64 FR 34191. Moreover, unlike *Silicon Metal from Brazil,* we find that Longjing fully substantiated all portions of its response. *See Silicon Metal from Brazil* at 62 FR 1955.

Comment 3: Request for Ministry Verifications

The petitioner argues that the Department should have conducted verification at the Ministry of Foreign Trade and Economic Cooperation (''MOFTEC'') and the Ministry of Machinery Industry (''MMI'') in this proceeding in an effort to clarify questions it characterized as left unanswered during the LTFV investigation. For example, the petitioner claims that all respondents in this case failed to disclose to the Department that they had dealings with MOFTEC based on information obtained by the Department from MMI during the LTFV investigation. Moreover, the petitioner claims that MOFTEC failed to inform the Department that it had dealings with trading companies during the LTFV proceeding. In addition, the petitioner argues that, in the LTFV proceeding, MMI withheld information from the Department regarding its meetings with manufacturers, the macro-guidance it provided to 10 industrial areas, and the field research it conducts to determine how government policies affect these industries. The petitioner argues that the Department should have conducted verifications of MMI and MOFTEC to further examine the relationships these ministries have with trading companies and manufacturers. However, since the Department did not conduct verification at these two PRC ministries, the petitioner alleges that the Department has not established the extent to which MOFTEC deals with trading companies and the extent to which MMI deals with manufacturers.

In addition, the petitioner argues that the burden of proving *de facto* absence of government control has not been met by the respondents in this review because the petitioner claims they willfully withheld information relevant for determining whether they are entitled to separate rates. Based on this presumption, the petitioner contends that the respondents did not cooperate to the best of their ability, and that the Department should therefore apply adverse facts available by denying each respondent a separate rate. In support of its argument, the petitioner cites to the *Preliminary Results of Antidumping Duty Administrative Review of Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, from the People's Republic of China,* 64 FR 5770, 5771 (February 5, 1999).

The respondents maintain that the Department should not impute any alleged lack of cooperation by MMI and MOFTEC in a prior review or investigation to the respondents, who have cooperated fully with the Department's requests in this review, and who have independently established their entitlement to separate rates in this case. The respondents also maintain that the petitioner's insistence that the Department conduct a verification of MMI and MOFTEC is illustrative of petitioner's misunderstanding of the Department's NME practice with regard to separate rates analysis.

DOC Position

We agree with the respondents. There is nothing on the record of this proceeding that suggests that a Department visit to MMI or MOFTEC was warranted. In the LTFV investigation, the petitioner provided us with documentary evidence in support of its claim that two respondents were still controlled by the PRC government. Thus, in the LTFV investigation, documentation submitted by the petitioner justified the Department's visit to MMI in order to examine in greater depth the relationship between MMI and two respondents in the LTFV proceeding. Neither of the two respondents involved in that case is a named respondent in this review. Furthermore, in this administrative review, we have no evidence of a similar relationship between any of the six cooperating respondents and MMI or MOFTEC. Therefore, we determined that there was no basis for conducting verification at either MMI or MOFTEC,

and no basis for inferring any lack of cooperation with respect to MMI, MOFTEC or the cooperating respondents. The Court of International Trade has already rejected a similar claim with respect to the LTFV investigation. *See Coalition for the Preservation of American Brake Drum and Rotor Aftermarket Manufacturers* v. *United States,* 44 F. Supp.2d 229, 242–246 (CIT 1999).

As in a prior segment of this proceeding (*i.e.,* the first new shipper review), the petitioner has sought to draw overly broad conclusions from a verification conducted during the LTFV investigation. The petitioner incorrectly claims that the same situation exists in this case with regard to two respondents in the LTFV proceeding, and has sought to apply those erroneous conclusions to the respondents in this review by placing on the record of this review the Department's verification report from the investigation. We find that the information in that report has no bearing on our findings in this segment of the proceeding. As mentioned above, our inquiries at the MMI during the investigation were limited to matters associated with two PRC companies which are not part of this review. In contrast, in this review, there is substantial evidence on the record which indicates that none of the six cooperative respondents is subject to government control. Because there is no evidence on this record to the contrary, we find that the petitioner's claim that the six respondents have withheld information on the separate rates issue to be without merit. Based on the information obtained in conducting numerous NME investigations, the Department considers MOFTEC's role vis-a-vis the trading companies to be compatible with the existence of separate rates for such companies (*i.e.,* MOFTEC providing information on production and sales of the subject merchandise exported to the United States from the trading companies). We do not consider this relationship to constitute government control. *See, e.g., Notice of Preliminary Determinations of Sales at Less Than Fair Value and Postponement of Final Determinations: Brake Drums and Brake Rotors from the People's Republic of China,* 61 FR 53190, 53192 (October 10, 1996).

As for MMI's dealings with manufacturers, we know that MMI meets with certain manufacturers in the automotive industry but we have no evidence that any of the brake rotor manufacturers in this proceeding have been a part of those meetings. Even if PRC manufacturers of the subject merchandise have attended meetings with MMI, however, we find that this is irrelevant because such a practice per se would not constitute government control. The U.S. government also holds regular meetings with companies in various industry sectors to facilitate communication with regard to issues affecting these industries. Furthermore, manufacturers are not entitled to a separate rate or do not have to meet the separate rates criteria, unless they are also exporters of the subject merchandise. Since we have no evidence that any respondents (*i.e.,* exporters) in this proceeding are also manufacturers of the subject merchandise who have met with MMI, the fact that MMI has a practice of meeting with companies in the automotive and other sectors does not require a finding that the respondents in this proceeding do not qualify for a separate rate.

Comment 4: The Department's Discretion in Conducting Verifications

The petitioner argues that the Department should have conducted verification of the exporter/producer combinations excluded from the antidumping duty order and Longjing at each company's facilities, rather than at a hotel in Beijing. In addition, although the Department stated that due to security reasons it intended to conduct verification of each company's records at a hotel in Beijing rather than at the company's facility, the petitioner claims that there is no evidence on the record supporting the Department's decision and that the Department's action is contrary to its own practice. Moreover, the petitioner contends that, because the Department conducted abbreviated and off-site verifications, the completeness and accuracy of the verification results are in question.

First, the petitioner contends that the Department should either redo all of the verifications or resort to facts available for all respondents. The petitioner alleges that the value of verifications performed at a hotel is limited, because Department officials cannot actually verify the place where production or sale of the subject merchandise occurs or perform surprise inspections or document traces. In addition, the petitioner alleges that by verifying at the hotel, the Department was (1) unable to determine if the merchandise was transshipped from another manufacturer; (2) unable to check energy consumption meters; (3) and unable to check production operations. Moreover, the petitioner alleges that the respondents falsified their records because they had prior notice through the verification outlines of everything the Department intended to examine at verification and because the Department did not conduct verification at the companies' facilities. The petitioner cites to the Department's *Antidumping Manual* in support of its argument.

Second, the petitioner contends that another reason why the Department should either redo the verification or resort to facts available is that each verification was one to two days in length, which the petitioner describes as contrary to established Department policy. The petitioner also cites to the Department's *Antidumping Manual* in support of this argument. In addition, the petitioner claims, based on a number of court decisions, that the Department abused its discretion when it decided to conduct abbreviated verifications at a hotel. *See Rubberflex Sdn. Bhd.* v. *United States* (''*Rubberflex*''), Slip. Op. 99–68 (CIT July 23, 1999); *Rhone Poulenc, Inc.* v. *United States* (''*Rhone Poulenc*''), 899 F.2d 1185, 1191 (Fed. Cir. 1990); *Usinor Sacilor* v. *United States* (''*Usinor Sacilor*''), 872 F. Supp. 1000 (CIT 1994); and *Sugiyama Chain Co., Ltd.* v. *United States* (''*Sugiyama*''), 852 F. Supp. 1103 (CIT 1994).

Finally, the petitioner contends that the Department should redo the verifications or resort to facts available because the respondents and the PRC government impeded these reviews. The petitioner argues that this conclusion is supported by the Department's security concerns with regard to conducting verification at the companies' facilities.

The respondents maintain that the Department properly exercised its discretion in conducting verification, and that the petitioner has failed to demonstrate any factual support for its allegations that (1) ''off-site'' and shortened verifications should be considered failed verifications; (2) such verifications cannot properly ensure the integrity of the responses; and (3) the Department should base respondents' margins on adverse facts available because any security concerns should be attributed to efforts by the PRC government and the respondents to impede these reviews.

DOC Position

We disagree with the petitioner. Although it is the Department's preference to conduct on-site verifications, it is not a requirement. More importantly, when there are security considerations to take into account at the on-site verification location, the Department has the discretion to elect to verify at off-site locations. *See Torrington* v. *United States,* 68 F.3d 1347, 1350 (Fe. Circ.

1995) (upholding the Department's decision to cancel verification entirely in light of security concerns). In this case, the Department successfully examined the records of the companies it selected at the off-site location.

In this proceeding, the Department had major concerns about the security situation in the PRC as a result of the May 1999 NATO bombing incident in Belgrade, Yugoslavia. The Department had planned on-site verifications for most of the companies it intended to examine in the PRC (with the exception of one company located in Xinjiang province) in early June 1999. Even though the U.S. State Department country advisory notice indicated no security concerns in early June 1999, our embassy in Beijing advised us to postpone our travel to the PRC until further notice. In light of the postponement in travel and uncertainty expressed by our embassy in the PRC, we delayed the verifications of the companies we selected until August 1999. The petitioner's comments submitted in early August 1999 immediately after the Department issued its verification outlines in this proceeding objected to the Department conducting off-site verifications in Beijing and questioned the Department's assessment of the security situation in the PRC. In an August 4, 1999, memorandum to the file, a Department official explained to the petitioner's counsel that the verification site and number of companies to be verified in this case was non-negotiable due to security/logistical considerations and the Department's resource constraints. The Department reiterated this explanation in an August 20, 1999, memorandum to the file. In past cases, the Department has resorted to off-site verifications when it wished to conduct verification but had security concerns. *See, e.g., Notice of Final Determination of Sales At Less Than Fair Value: Certain Preserved Mushrooms from Indonesia,* 63 FR 72268 (December 31, 1998).

Regarding the Department's assessment of the security situation in the PRC, even though the U.S. State Department country advisory notice did not refer to security concerns associated with travel in the PRC from early July through early August 1999, our embassy in Beijing advised us to conduct our verifications, if possible, within the confines of major cities in the PRC because of the continued uncertainty with respect to security. Therefore, the Department requested that all companies located outside of Beijing that it intended to verify bring all of their accounting records and support documentation to an off-site location in Beijing. The companies which the Department selected for verification were the four excluded exporter/producer combinations mentioned below, the new shipper (*i.e.,* Chen Fu), and Longjing. The Department informed these companies that they would be held to the same level of accountability to which they normally are held during on-site verifications. Even though the verifications (except for one at CAIEC's headquarters in Beijing) were conducted at an off-site location, the Department was able to determine for each producer/exporter combination that no merchandise was transhipped from another manufacturer by thoroughly examining accounting records, and reconciling the production records of the manufacturer to the sales records of the exporter included in each producer/exporter combination. (*See* verification reports and exhibits for CAIEC, Laizhou CAPCO, Laizhou Luyuan, Shenyang Honbase, and Xinjiang for further discussion.) The Department also examined data from U.S. Customs obtained prior to the preliminary results. These data corroborate our verification findings. In contrast, the Department has no evidence that any exporter in the excluded exporter/producer combinations has shipped merchandise to the United States during the POR from a producer not included in those combinations.

Petitioner's insistence that it was critical for the Department to conduct on-site verifications in order to examine the number of people at the factory, check meters to measure energy consumption figures, tour the production facilities or inspect the factory inventories for evidence of merchandise being transshipped from another manufacturer is without merit. First, it is not a requirement that the Department verify through physical inspection or verify all information reported by a respondent, especially if the information can be linked to accounting, production or sales records, backed up by support documentation. The only factory for which such a physical count of employees or meter reading checks might have had any possible relevance was Longjing. For all of the excluded exporter/producer combinations, the Department's emphasis was not on labor or electricity usage at the factories but on whether all of the brake rotor sales made by the exporter in the exporter/producer combinations were (based on sales, inventory and production records) manufactured by the producer with which it was linked in the exporter/producer combination. As for the verification of Longjing, even without a physical inspection, the Department was able to ascertain, to its satisfaction, through examination of salary, labor attendance, and energy records, payment documentation and production records, the number of employees and the amount of energy consumption at the factory. Therefore, it was not necessary to conduct a physical count of the employees at the factory or examine the electricity meter. In fact, such tests would have only provided data on the factory's current levels of employment and electricity usage, and not the levels associated with the POR, which ended at least one year and a half before the verifications. Therefore, any conclusions drawn from information gathered at the factory with respect to labor or energy factors would have been of minimal use in this proceeding.

Second, the Department did not find it imperative in this proceeding to tour the production facilities or inspect the factory inventories in order to ascertain whether the exporter/producer combinations or Longjing were transshipping merchandise produced by manufacturers undisclosed to the Department. First of all, a tour of the production facility or physical inspection of inventory in the factory warehouses would have only provided information on: (1) What materials the factory currently uses to produce its merchandise; (2) the types of products the factory currently produces; and (3) the products the factory currently keeps in inventory rather than what the factory used or produced during the POR, a year and a half earlier. Therefore, any conclusions drawn from information gathered at the factory with respect to a plant tour or inspection of its production facilities and inventory warehouse would not have been directly relevant to the data the Department was verifying. For the same reason, the petitioner's unsupported allegation that the factories and/or trading companies we selected for verification had merchandise in their warehouses which was produced by manufacturers undisclosed to the Department is also of little value. Furthermore, the Department was able to resolve through a vigorous examination of each of the selected company's accounting, production and sales records and supporting documentation, the issue of whether any of the excluded exporters was transshipping merchandise not actually produced by the factory associated with its exclusion from the antidumping duty order.

In addition, the Department's examination and testing of the records

and statements of each company was not constrained by where the verification took place or the number of days during which the Department examined each company's records. As indicated above, the Department sought to verify only one issue (*i.e.*, the source of exported merchandise) with respect to all verified companies other than Longjing (*i.e.*, the exporters excluded from the order). Thus, it is not unusual that these verifications could be completed quickly. As the verification reports illustrate, the Department thoroughly examined the topics included in each company's verification outline and thoroughly tested the sales and production information noted in each company's accounting records in support of its statements or in support of data contained in its response. The number of days the Department spent examining each company's accounting records and covering the topics noted in the verification outlines did not hinder the Department from conducting comprehensive examinations of each company's data. For example, whenever the Department requested a document which a particular company did not have at the verification site, in every case, the company was able to supply the requested documentation by transmitting the requested documentation via facsimile from the company's facilities to the off-site verification location.

Furthermore, the judicial cases the petitioner relies upon as the basis for its claim that the Department's decision to conduct an abbreviated, off-site verification is an abuse of discretion are inapposite. *Rhone Poulenc* simply stands for the broad premise that the Department strives to determine margins as accurately as possible. This case does not specify that verifications must be conducted either on-site or for any particular number of days. *See Rhone Poulenc*, 889 F. 2d at 1191. *Usinor Sacilor* and *Sugiyama* likewise do not involve any issues related to abbreviated or off-site verifications. *Rubberflex* criticized the Department for not allowing the respondent sufficient time to prepare for verification, not the length or location of the verification. *See Rubberflex*, Slip Op. 99–68 at 21. Furthermore, the opinion in *Rubberflex* also acknowledges the Department's broad discretion with respect to the conduct of verification. Thus, *Rubberflex* cites to a different judicial precedent which addresses the specific question of the Department's discretion as to the length of verification. *Id.*, at 16, citing *Persico Pizzamiglio, S.A.* v. *United States*, 18 CIT 299, 307 (1994)(rejecting respondent's claim that the Department devoted insufficient time to verification, on the grounds that ''there is no statutory mandate as to how long the process of verification must last,'' such that the Department is accorded discretion to make such determinations considering the time and resource constraints that the agency faces). As noted above, the Court of Appeals has held that the Department has extremely broad discretion in setting-up verification. *See Torrington* v. *U.S.*, 68 F.3d at 1350.

Final Results of the Review

We determine that the following margins exist for the six respondents, which fully cooperated in this review, and the PRC entity, for the period October 10, 1996, through March 31, 1998:

Manufacturer/producer/exporter	Margin
Jilin Provincial Machinery & Equipment Import & Export Corporation	0.00
Longjing Walking Tractor Works Foreign Trade Import & Export Corporation	0.00
Shandong Jiuyang Enterprise Corporation	0.00
Xianghe Zichen Casting Co., Ltd.	0.00
Yantai Import & Export Corporation	0.00
Yenhere Corporation	0.00
PRC-Wide Rate	43.32

Note: (A) Exports by the following exporter/producer combinations continue to be excluded from the antidumping duty order: (1) CAIEC or Laizhou CAPCO/Laizhou CAPCO; (2) Shenyang or Laizhou Luyuan/Shenyang or Laizhou Luyuan; (3) Xinjiang/Zibo.

(B) The separate rates established for the following companies in the investigation or in an earlier review remain in effect either because of non-shipment during this POR or because no review was requested for this POR: (1) Southwest; and (2) Xinchangyuan.

(C) All exporters other than the six cooperative respondents or those named above in (A) or (B) are subject to the PRC-wide rate.

Assessment Rates

The Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appraisement instructions directly to the Customs Service. In accordance with 19 CFR 351.106(c)(2), we will instruct the Customs Service to liquidate without regard to antidumping duties all entries of subject merchandise during the POR from the six PRC exporters that cooperated in this review for which the importer-specific assessment rate is zero or *de minimis* (*i.e.*, less than 0.50 percent). Pursuant to 19 CFR 351.212(b)(1), we have calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of the dumping margins calculated for the examined sales (*i.e.*, sales made during the POR by the above-referenced six PRC exporters who cooperated in this review) to the total entered value of those same sales. In order to estimate the entered value, we have subtracted international movement expenses from the gross sales value. The resulting *ad valorem* rates will be assessed uniformly on all entries made by the importers during the POR.

For entries from the NME entity companies, the Customs Service shall assess *ad valorem* duties at the PRC-wide rate. For entries made by PRC companies for which the Department has rescinded the administrative review (*i.e.*, Southwest and Xinchangyuan), the Customs Service shall assess ad valorem duties at the rates applicable at the time of entry.

Cash Deposit Requirements

The following deposit rates shall be required for merchandise subject to the order[7] entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for each company that fully cooperated in this review will be the rate established in the final results; (2) for imports of brake rotors from the PRC made by the exporter/producer combinations listed in this notice, entries of these exporters may be liquidated without regard to antidumping duties, except that, if the exporter listed in the exporter/producer combination sells subject merchandise which is not manufactured by the producer in that same exporter/producer combination, then those entries will be subject to the ''PRC-wide'' rate; (3) the cash deposit rate for PRC exporters which received a separate rate in the LTFV investigation but who did not export subject merchandise during the POR or for which there was no request for administrative review (*e.g.*, Southwest and Xinchangyuan) will continue to be the rate assigned in that investigation; (4) the cash deposit rate for the PRC NME entity (*i.e.*, all other PRC exporters subject to the order, including Chen Fu, Hebei, Qingdao and Shanxi) will be 43.32 percent; and (5) the cash deposit rate for non-PRC exporters of subject merchandise from the PRC will be the rate applicable to the PRC supplier of that exporter. These deposit requirements shall remain in

[7] Merchandise excluded from the order includes merchandise produced and exported by the above-referenced exporter-producer combinations. Such merchandise should not be suspended.

effect until publication of the final results of the next administrative review.

Notification to Importers

This notice serves as the final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order (''APO'') of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d). Timely written notification or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of the APO is a sanctionable violation.

This administrative review and notice are in accordance with sections 751(a)(1) and 777i(1) of the Act and 19 CFR 351.213.

Dated: November 2, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–29206 Filed 11–10–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–351–503, A–122–503, A–570–502]

Continuation of Antidumping Duty Orders: Certain Iron Construction Castings From Brazil, Canada, and the People's Republic of China

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

ACTION: Notice of Continuation of Antidumping Orders: Certain iron construction castings from Brazil, Canada, and the People's Republic of China.

SUMMARY: On June 7, 1999, the Department of Commerce (''the Department''), pursuant to sections 751(c) and 752 of the Tariff Act of 1930, as amended (''the Act''), determined that revocation of the antidumping duty orders on certain iron construction castings from Brazil, Canada, and the People's Republic of China (''China'') is likely to lead to continuation or recurrence of dumping (64 FR 30310 (June 7, 1999)). On October 29, 1999, the International Trade Commission (''the Commission''), pursuant to section 751(c) of the Act, determined that revocation of the antidumping duty orders on certain iron construction castings from Brazil, Canada, and China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time (64 FR 58442 (October 29, 1999)). Therefore, pursuant to 19 CFR 351.218(e)(4), the Department is publishing notice of the continuation of the antidumping duty orders on certain iron construction castings from Brazil, Canada, and China.

EFFECTIVE DATE: November 12, 1999.

FOR FURTHER INFORMATION CONTACT: Martha V. Douthit or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW, Washington, D.C. 20230; telephone: (202) 482–5050 or (202) 482–1560, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 2, 1998, the Department initiated, and the Commission instituted, sunset reviews (63 FR 58709 and 63 FR 58758, respectively) of the antidumping duty orders on certain iron construction castings from Brazil, Canada, and China pursuant to section 751(c) of the Act. As a result of these reviews, the Department found that revocation of the antidumping duty orders would likely lead to continuation or recurrence of dumping and notified the Commission of the magnitude of the margin likely to prevail were the orders to be revoked (*see Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings from Brazil, Canada and The People's Republic of China,* 64 FR 30310 (June 7, 1999)).

On October 29, 1999, the Commission determined, pursuant to section 751(c) of the Act, that revocation of the antidumping duty orders on certain iron construction castings from Brazil, Canada, and China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time (*see Iron Metal Castings From India; Heavy Iron Construction Castings From Brazil; and Iron Construction Castings From Brazil, Canada, and China,* 64 FR 58442 (October 29, 1999), and USITC Pub. 3247, Investigations Nos. 303–TA–13 (Review); 701–TA–249 (Review); and 731–TA–262, 263, and 265 (Review) (October 1999)).

Scope

Brazil—Merchandise covered by the order on Brazil consists of certain iron construction castings. Heavy castings are limited to manhole covers, rings, and frames, catch basins, grates and frames, clean-out covers and frames used for drainage or access purposes for public utility, water and sanitary systems. Light castings are limited to valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves, or water or gas meters. These articles must be of cast iron, not alloyed, and not malleable. ''Heavy'' castings are classifiable under Harmonized Tariff Schedule (''HTS'') item number 7325.10.0010, and ''light'' castings are classified under HTS item number 7325.10.0050. On April 28, 1995, the Department determined, in response to a request from Southland Marketing, Inc., that the Polycast 700 Series frame, part number DG0700, and grate, part number DG0641, are not within the scope of the antidumping duty order on iron construction castings from Brazil (*see Notice of Scope Rulings,* 60 FR 36782, (July 18, 1995)).

Canada—Merchandise covered by the order on Canada consists of certain iron construction castings. Heavy castings are limited to manhole covers, rings, and frames, catch basins, grates and frames, clean-out covers and frames used for drainage or access purposes for public utility, water and sanitary systems. ''Heavy'' castings are classifiable under Harmonized Tariff Schedule (''HTS'') item number 7325.10.0010. These articles must be of cast iron, not alloyed, and not malleable. On September 23, 1998, the Department issued the final results of a changed circumstance review, in which the Department revoked the order with respect to ''light'' castings. [1]

PRC—Merchandise covered by the order on the PRC consists of certain iron construction castings. Heavy castings are limited to manhole covers, rings, and frames, catch basins, grates and frames, clean-out covers and frames used for drainage or access purposes for public utility, water and sanitary systems. Light castings are limited to valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves, or water or

[1] *See Iron Construction Castings From Canada: Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order: Correction,* 63 FR 50881 (September 23, 1998).