APPENDIX—SUBSIDY PROGRAMS ON CHEESE SUBJECT TO AN IN-QUOTA RATE OF DUTY

Country	Program(s)	Gross [1] subsidy	Net [2] subsidy
Austria	European Union Restitution Payments	$0.22	$0.22
Belgium	EU Restitution Payments	0.00	0.00
Canada	Export Assistance on Certain Types of Cheese	0.25	0.25
Denmark	EU Restitution Payments	0.18	0.18
Finland	EU Restitution Payments	0.33	0.33
France	EU Restitution Payments	0.20	0.20
Germany	EU Restitution Payments	0.22	0.22
Greece	EU Restitution Payments	0.00	0.00
Ireland	EU Restitution Payments	0.11	0.11
Italy	EU Restitution Payments	0.20	0.20
Luxembourg	EU Restitution Payments	0.00	0.00
Netherlands	EU Restitution Payments	0.11	0.11
Norway	Indirect (Milk) Subsidy	0.39	0.39
	Consumer Subsidy	0.18	0.18
	Total	0.57	0.57
Portugal	EU Restitution Payments	0.12	0.12
Spain	EU Restitution Payments	0.15	0.15
Switzerland	Deficiency Payments	0.32	0.32
U.K.	EU Restitution Payments	0.06	0.06

[1] Defined in 19 U.S.C. 1677(5).
[2] Defined in 19 U.S.C. 1677(6).

[FR Doc. 97–25944 Filed 9–30–97; 8:45 am]
BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–427–811]

Certain Stainless Steel Wire Rods From France: Extension of Time Limit for Preliminary Results of the Antidumping Duty Administrative Review

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

ACTION: Notice of extension of time limit for preliminary results of antidumping duty administrative review.

SUMMARY: The Department of Commerce (''the Department'') is extending the time limit for the preliminary results for the third review of certain stainless steel wire rods from France. This review covers the period January 1, 1996 through December 31, 1996.

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT: Bob Bolling or Steve Jacques at 202–482–1386 or 482–3434; Office of AD/CVD Enforcement, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230.

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930 (''the Act'') are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Rounds Agreements Act.

Postponement of Preliminary Results

The Department has determined that it is not practicable to issue its preliminary results within the original time limit. (See Decision Memorandum from Joseph A. Spetrini, Deputy Assistant Secretary, Enforcement Group III to Robert LaRussa, Assistant Secretary for Import Administration, September 17, 1997). The Department is extending the time limit for completion of the preliminary results until January 2, 1998 in accordance with Section 751(a)(3)(A) of the Act.

The deadline for the final results of these reviews will continue to be 90 days after publication of the preliminary results.

Dated: September 23, 1997.

Joseph A. Spetrini,

Deputy Assistant Secretary for Enforcement Group III.

[FR Doc. 97–25945 Filed 9–30–97; 8:45 am]
BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–850]

Notice of Final Determination of Sales at Less Than Fair Value: Collated Roofing Nails From the People's Republic of China

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

EFFECTIVE DATE: October 1, 1997.

FOR FURTHER INFORMATION CONTACT: Everett Kelly or Brian Smith, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–4194 or (202) 482–1766, 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, as amended (''the Act''), by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all citations to the Department of Commerce regulations are to the regulations at 19 CFR Part 353 (April 1997).

Final Determination

We determine that collated roofing nails (''CR nails'') from the People's Republic of China (''PRC'') are being sold in the United States at less than fair

value (''LTFV''), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the ''Suspension of Liquidation'' section of this notice.

Case History

Since the preliminary determination (Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Collated Roofing Nails from the People's Republic of China), 62 FR 25899 (May 12, 1997), the following events have occurred:

In May, 1996, we attempted to verify the responses to the antidumping questionnaire of respondents Shenzhen Top United Steel Co., Ltd. (''Top United''), Suzhou Junhua Metal Products Co., Ltd. (''Junhua''), and Qingdao Zongxun Nail Products Co., Ltd. (''Zongxun''). On May 12, 1997, respondent Shanghai Minmetals Pu Dong Corporation (''Pu Dong'') informed the Department that it could not permit verification of its questionnaire response. The Paslode Division of Illinois Tool Works Inc. (''Petitioner'') and respondents submitted case briefs on July 29, 1997, and rebuttal briefs on August 5, 1997.

Scope of Investigation

The product covered by this investigation is CR nails made of steel, having a length of 1 3/16 inch to 1 13/16 inches (or 20.64 to 46.04 millimeters), a head diameter of 0.330 inch to 0.415 inch (or 8.38 to 10.54 millimeters), and a shank diameter of 0.100 inch to 0.125 inch (or 2.54 to 3.18 millimeters), whether or not galvanized, that are collated with two wires.

CR nails within the scope of this investigation are classifiable under the Harmonized Tariff Schedule of the United States (''HTSUS'') subheading 7317.00.55.06. Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

Period of Investigation

The period of this investigation (''POI'') comprises each exporter's two most recent fiscal quarters prior to the filing of the petition. In this case, the POI is April 1, 1996, through September 30, 1996.

Nonmarket Economy Country Status

The Department has treated the PRC as a nonmarket economy country (''NME'') in all past antidumping investigations (see, e.g., 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''). Neither respondents nor petitioner have challenged such treatment. Therefore, in accordance with section 771(18)(C) of the Act, we will continue to treat the PRC as an NME in this investigation.

When the Department is investigating imports from an NME, section 773(c)(1) of the Act directs us to base normal value (''NV'') on the NME producers' factors of production, valued, to the extent possible, in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed in the NV section of this notice, below.

Separate Rates

Top United and Zongxun have each requested a separate company-specific antidumping duty deposit rate.[1] With respect to Junhua, Pu Dong and Wuxi, please see the ''facts available'' section below. Top United is a joint venture between a PRC company ''owned by all the people,'' a company in Hong Kong, and a company in the British Virgin Islands. Zongxun is a joint venture between a PRC collective-owned enterprise, and a Taiwan company.

Zongxun's business license notes that this PRC company is a foreign trade joint venture which owns the production and export facilities used to manufacture and export the subject merchandise it sells to the United States.

In other cases involving the PRC, joint ventures between ''collective''-owned enterprises and foreign investors have not been precluded from consideration of a separate rate (see, e.g., Final Antidumping Duty Determination of Sales at Less Than Fair Value: Certain Partial-Extension Steel Drawer Slides with Rollers from the People's Republic of China, 60 FR 54472 (Oct. 23, 1995) (''Drawer Slides''). Furthermore, as stated in Silicon Carbide, ownership of a company by all the people does not require the application of a single, PRC-wide rate. Therefore, for purposes of our final determination, both Top United and Zongxun are eligible for a separate rate.

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 Silicon Carbide. Under the separate rates criteria, the Department assigns separate rates in NME cases only if respondents can demonstrate the absence of both *de jure* and *de facto* governmental control over export activities.

1. *De Jure* Control

The respondents have placed on the record a number of documents to demonstrate absence of *de jure* control, including laws, regulations, and provisions enacted by the State Council of the central government of the PRC. They have also submitted documents which establish that CR nails are not included on the list of products that may be subject to central government export constraints. In addition, respondents submitted the ''Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures' (April 13, 1988). The articles of this law authorize joint venture companies to make their own operational and management decisions. Further, Zongxun submitted the ''Regulations Governing Rural Collective Owned Enterprises of the PRC'' (July 1, 1990). The articles of this law authorize collective-owned enterprises to make their own operational and management decisions.

In prior cases, the Department has analyzed the very laws which the respondents have submitted in this investigation and found that they establish an absence of *de jure* control. (See Drawer Slides.) We have no new information in this proceeding which would cause us to reconsider this determination.

However, as 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, e.g., Silicon Carbide.) Therefore, the Department has determined that an analysis of *de facto* control is critical in determining whether Top United and Zongxun are, in fact, subject to a degree of governmental control which would preclude the Department from assigning separate rates.

2. *De Facto* Control

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

[1] The Department's starting point in NME proceedings is a rebuttable presumption that all companies are government controlled and therefore subject to a single, countrywide antidumping duty deposit rate.

negotiate and sign contracts, and other agreements; (3) whether the respondent has autonomy from the government in making decisions regarding the selection of its 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, e.g., Silicon Carbide).

During verification, our examination of correspondence and sales documentation revealed no evidence that either Top United's or Zongxun's export prices are set, or subject to approval, by any governmental authority. That Top United and Zongxun have the authority to negotiate and sign contracts and other agreements independent of any government authority was evident from our examination of correspondence and written agreements and contracts. Finally, we have determined that Top United and Zongxun have autonomy from the central government in making decisions regarding the appointment of management. We also noted that Top United and Zongxun retained proceeds from their export sales and made independent decisions regarding disposition of profits and financing of losses (based on our examination of financial records and purchase invoices).

Consequently, we determine that these exporters have met the criteria for the application of separate rates.

Facts Available

A. Non-Responding Exporters

Because some companies did not respond to our questionnaire, we are applying a single antidumping deposit rate—the PRC-wide rate—to all exporters in the PRC (except the two fully participating exporters) based on our presumption that the export activities of the companies that failed to respond are controlled by the PRC government. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Bicycles from the People's Republic of China* 61 FR 19026 (Apr. 30, 1996) (''*Bicycles*'').

This PRC-wide antidumping rate is based on adverse facts available. Section 776(a)(2) of the Act provides that ''if 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, (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), the administering authority * * * shall, subject to section 782(d), use the facts otherwise available in reaching the applicable determination under this title.''

Section 776(b) of the Act provides that adverse inferences may be used against a party that has failed to cooperate by not acting to the best of its ability to comply with a request for information. The exporters that decided not to respond in any form to the Department's questionnaire have failed to act to the best of their ability in this investigation. Further, absent a response, we must presume government control of these and all other PRC companies for which we cannot make a separate rates determination. Thus, the Department has determined that, in selecting from among the facts otherwise available, an adverse inference is warranted. As adverse facts available, we are assigning the higher of the petition margin or the margin calculated for any participating respondent in this investigation. Because the margins in the petition (as recalculated by the Department at initiation) were higher than any of the calculated margins for a respondent, we used the highest margin stated in the *Notice of Initiation*, 118.41%, as total adverse facts available for the PRC-wide rate.

Section 776(c) of the Act provides that where the Department selects from among the facts otherwise available and relies on ''secondary information,'' such as the petition, the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The Statement of Administrative Action accompanying the URAA, H.R. Doc. No. 316, 103d Cong., 2d Sess. (1994) (hereinafter, the ''SAA''), states that ''corroborate'' means to determine that the information used has probative value. *See* SAA at 870.

In the petition, the petitioner based its allegation of export price on price quotations from two manufacturer/exporters of CR nails in the PRC. These price quotations were adjusted for movement expenses using customs data and IM–145 Import Statistics. *See Notice of Initiation*, 61 FR at 67307–08. As we stated in *Final Determination of Sales at Less Than Fair Value: Certain Pasta From Turkey*, 61 FR 30309 (June 14, 1996), we consider price quotations as information from independent sources. The export price calculations were based upon independent sources and Import Statistics, both sources which we consider to require no further corroboration by the Department. Therefore, we determined at initiation, and continue to find, that the calculations set forth in the petition have probative value.

The petitioner based its allegation of NV on the factors of production. *See Notice of Initiation*, 61 FR at 67308. To calculate the factors of production, the petitioner used manufacturing costs based on its own production experience, its 1995 audited financial statements, and publicly available industry data. *Id.* The factors of production amount for the most significant raw material input (*i.e.*, steel wire) in the petition is consistent with the factors of production amount reported by the respondents on the record of this investigation. As such, we determine that the NV calculations have probative value. (*See* memorandum to the file dated May 5, 1997.)

Based on our pre-initiation analysis and reexamination of the price information supporting the petition, we determine that the highest margin stated in the *Notice of Initiation* is corroborated within the meaning of section 776(c) of the Act.

B. Wuxi

As stated in our preliminary determination, Wuxi failed to file its questionnaire responses with the Department in the proper manner and to serve its responses on the other interested parties in this investigation. The Department afforded Wuxi numerous opportunities to remedy these deficiencies. In addition, Wuxi's submissions did not provide adequate information for determining that Wuxi is sufficiently independent from government control to be entitled to a separate rate. As such, we determine that Wuxi is not entitled to a separate rate. We, therefore, have included Wuxi in the ''PRC-wide'' rate.

C. Pu Dong

As noted above, Pu Dong refused verification of its questionnaire response. Because of Pu Dong's failure to allow the Department to carry out its verification procedures, the Department was unable to verify whether Pu Dong is sufficiently independent from government control to be entitled to a separate rate. Further, none of the other data in Pu Dong's questionnaire response can be used because Pu Dong refused verification. We, therefore, have included Pu Dong in the ''PRC-wide'' rate. Because we are including Pu Dong in the PRC-wide rate, we will not address any of the other issues concerning Pu Dong.

D. Junhua

We find that Junhua did not provide a complete reporting of all of its ''affiliated parties,'' as requested in the antidumping questionnaire (*see Questionnaire*, p. A–4). Specifically, the existence of several PRC subsidiaries of Junhua's Hong Kong parent only came to light at verification. The Department was not able to evaluate the extent of government control with respect to Junhua's affiliates, nor could the Department confirm that these affiliates were not involved in the production or sale of subject merchandise. Section 776(b) provides that adverse inferences may be used against a party that has failed to cooperate by not acting to the best of its ability to comply with requests for information. *See also* SAA at 870. Junhua's failure to provide complete and accurate information in a timely manner demonstrates that Junhua has failed to cooperate to the best of its ability in this investigation. Thus, the Department has determined that, in selecting among the facts otherwise available for Junhua, an adverse inference is warranted. As adverse facts available, we determine that Junhua is not entitled to a separate rate, and will be subject to the PRC-wide rate. Because we are including Junhua in the PRC-wide rate, we will not address any of the other issues concerning Junhua.

Fair Value Comparisons

To determine whether sales of the subject merchandise by Top United and Zongxun to the United States were made at less than fair value, we compared the export price (''EP'') or constructed export price (''CEP'') to the NV, as described in the ''Export Price and Constructed Export Price'' and ''Normal Value'' sections of this notice, below. In accordance with section 777A(d)(1)(A)(i) of the Act, we compared POI-wide weighted-average EPs or CEPs to weighted-average NVs.

Export Price/Constructed Export Price

Top United

We used CEP in accordance with section 772(b) of the Act, because the sales to unaffiliated purchasers were made after importation. We calculated CEP based on the same methodology used in the preliminary determination, with the following exceptions: we corrected Top United's response in light of errors discovered during preparations for verification with respect to gross unit prices, payment dates, discounts, and movement expenses; we adjusted Top United's handling and brokerage charges, which were based on pre-POI data, to reflect POI levels; we adjusted the margin calculations, where necessary, to reflect weighted-average prices for U.S. sales of identical merchandise.

Zongxun

We used EP in accordance with section 772(a) of the Act, because the subject merchandise was sold to unaffiliated customers before importation and because CEP methodology was not indicated by the facts of record. We calculated EP based on the same methodology used in the preliminary determination, with the following exception: we adjusted Zongxun's handling and brokerage charges, which were based on pre-POI data, to reflect POI levels.

Normal Value

A. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value an 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, and (2) are significant producers of comparable merchandise. The Department has determined that India, Pakistan, Sri Lanka, Egypt, and Indonesia are countries comparable to the PRC in terms of overall economic development (*see* Memorandum dated March 24, 1997). According to the available information on the record, we have determined that Indonesia is a significant producer of merchandise that is comparable to CR nails. Accordingly, we have calculated NV using Indonesia import prices—except, as noted below, in the ''Factors of Production'' section of this notice, in certain instances where an input was sourced from a market economy—for the PRC producer's factors of production. We have obtained and relied upon publicly available information (''PAI'') wherever possible.

B. Factors of Production

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by the companies in the PRC which produced CR nails for the exporters which sold CR nails to the United States during the POI. As in the preliminary determination, we calculated NV based on factors of production reported by the respondents.

To calculate NV, the verified per-unit factor quantities were first multiplied by Indonesia values; the resulting products were then summed. We then added amounts for overhead, general expenses (including interest) (''SG&A''), profit, and packing expenses incident to placing the merchandise in condition packed and ready for shipment to the United States.

Top United

We calculated NV based on the same methodology used in the preliminary determination, with the following exceptions: we corrected Top United's response in light of errors discovered during preparations for verification with respect to unreported raw materials, transportation distances, and certain incorrectly reported raw material amounts; we also corrected for errors discovered by the Department during verification with respect to the reported values of sodium hydrosulfate, diesel fuel, and labor allocation; we subtracted the value of Top United's steel scrap from the calculated NVs for Top United's sales of CR nails; for transportation distances used for the calculation of freight expenses on raw materials, we added to CIF surrogate values from Indonesia a surrogate freight cost using the shorter of the reported distances from either the closest PRC port to the factory, or from the domestic supplier to the factory; and we used more contemporaneous data for the Indonesia surrogate values for welding wire and rubber bands.

Zongxun

We calculated NV based on the same methodology used in the preliminary determination, with the following exceptions: we corrected Zongxun's response in light of errors discovered during preparations for verification with respect to the values for steel scrap and cardboard carton; we subtracted the value of Zongxun's steel scrap from the calculated NVs for Zongxun's sales of CR nails; for transportation distances used for the calculation of freight expenses on raw materials, we added to CIF surrogate values from Indonesia a surrogate freight cost using the shorter of the reported distances from either the closest PRC port to the factory, or from the domestic supplier to the factory; and we used more contemporaneous data for the Indonesia surrogate values for welding wire and rubber bands.

Critical Circumstances

The petition contained a timely allegation that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of subject merchandise. Section 733(e)(1) of the Act provides that the Department will determine that there is a reasonable basis to believe or suspect that critical circumstances exist if: (A)(i)

There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period.

To determine that there is a history of dumping of the subject merchandise, the Department normally considers evidence of an existing antidumping duty order on CR nails in the United States or elsewhere to be sufficient. *See, e.g., Preliminary Determinations of Critical Circumstances: Brake Drums and Rotors from the People's Republic of China,* 61 FR 55269 (Oct. 25, 1996); *Notice of Final Determinations of Sales at Less Than Fair Value: Brake Drums and Rotors from the People's Republic of China,* 62 FR 9160 (Feb. 28, 1997) (''*Brake Drums and Rotors*''). Currently, no countries have outstanding antidumping duty orders on CR nails from the PRC. The petitioner alleged a history of dumping based upon an antidumping order on steel wire nails from the People's Republic of China, the scope of which covered CR nails. *See Final Results of Changed Circumstances Administrative Review and Revocation of Antidumping Duty Order; Certain Steel Wire Nails from the People's Republic of China,* 52 FR 33463 (Sept. 3, 1987). However, because the issue has no effect on our determination of critical circumstances, we are not addressing it for this final determination.

In this investigation, there is no dumping margin for either Top United or Zongxun. Therefore, they will be excluded from any antidumping duty order, and thus it is unnecessary to determine whether critical circumstances exist with respect to these two companies.

Regarding firms covered by the ''PRC-wide'' rate, we have used the ''facts available'' as the basis for determining whether critical circumstances exist. In determining whether an importer knew or should have known that the exporter was selling subject merchandise at less than fair value and thereby causing material injury, the Department normally considers margins over 25% for EP sales and 15% for CEP sales to impute knowledge of dumping and of resultant material injury. *Brake Drums and Rotors,* 62 FR at 9164–65. The ''facts available'' margin for these exporters exceeds the threshold for imputing knowledge of dumping to the importers of the merchandise. In addition, because we do not have verified, company-specific data on shipments of CR nails following the filing of the petition, we must adversely assume, as the ''facts available,'' a massive increase in imports from these non-responding exporters. We, therefore, determine that critical circumstances exist for all non-responding exporters.

Verification

As provided in section 782(i) of the Act, we attempted to verify the information submitted by respondents for use in our final determination. We used standard verification procedures, including examination of relevant accounting and production records, and original source documents provided by respondents.

Interested Party Comments

Because the Department decided to base its final determination for Junhua and Pu Dong entirely on facts available, comments pertaining to other issues have not been addressed for Junhua and Pu Dong.

Comment 1: Offset to NV for Steel Scrap By-Product

Top United and Zongxun assert that the Department should subtract the value of their steel scrap from the calculated NV for CR nails. They state that during verification, the Department verified that the steel scrap was generated during the production of CR nails, and further verified the volume of the steel scrap that respondents sold to third parties during the period of this investigation. They refer to other proceedings involving PRC companies, during one of which the Department stated that ''it is Department practice to subtract the sales revenue of by-products such as steel scrap from the production costs of the subject merchandise.'' *Brake Drums and Rotors.* They also refer to *Sebacic Acid From the PRC,* 59 FR 28053, 28056 (May 31, 1994), in which the Department stated that ''this treatment of by-products is consistent with generally accepted accounting principles.''

Petitioner does not object to an adjustment to NV for steel scrap as long as (i) Top United and Zongxun's claims relate to steel scrap which is directly tied to the production of the subject merchandise, (ii) the scrap is sold directly by the factory, and (iii) the Department verified the claim.

DOC Position

We agree with Top United and Zongxun. We verified that the scrap produced during the manufacture of CR nails is sold by the factory. The proper adjustment is a reduction in the cost of manufacture, which is consistent with the Department's practice in other NME investigations (*see, e.g., Pure Magnesium and Alloy Magnesium from the Russian Federation,* 60 FR 16440, March 30, 1995). We have accordingly subtracted the value of Top United and Zongxun's steel scrap from the calculated NVs for their CR nails, using as surrogate information *Biro Pusat Statistik's* ''Foreign Trade Statistical Bulletin'' to value reported steel scrap amounts.

Comment 2: Calculation of Surrogate Freight Costs in Valuing Materials

Top United and Zongxun claim that the Department double-counted the surrogate freight costs for certain PRC-sourced materials in its preliminary calculations. They contend that when using CIF prices as surrogate values, the Department should presume that the factory would purchase specific materials from the closest source—be it the port or the domestic supplier's factory—and that the Department should value freight accordingly.

Top United and Zongxun cite *Sigma Corp.* v. *United States,* No. 95–1509, 96–1036, 95–1510, 96–1037, 1997 U.S. App. LEXIS 16506 (Fed. Cir. July 7, 1997), in which the United States Court of Appeals for the Federal Circuit (''CAFC'') held that the calculated freight costs for PRC-made materials may not exceed the calculated freight costs of shipping the material from respondents' importing seaports in the PRC to their factories. Top United and Zongxun believe that this decision clearly prohibits the Department from adding surrogate freight costs exceeding the freight costs from the manufacturer's importing seaport to its factory.

Petitioner contends that Top United and Zongxun have not indicated why, or to what extent, any inland freight expense should be adjusted in line with *Sigma.* Petitioner indicates that although the principle of *Sigma* is clear, Top United and Zongxun's claim in the instant case is not clear. The major factor input is steel, for which the Department used market economy prices. Therefore, petitioner believes that the Department's calculations do not include any expense for the inland freight within the PRC for the imported steel and, thus, do not warrant any adjustments.

DOC Position

We agree with Top United and Zongxun. The CAFC's decision in *Sigma* requires that we revise our calculation of source-to-factory surrogate freight for those material inputs that are based in CIF import values in the surrogate country. Accordingly, we have added to CIF surrogate values from Indonesia a surrogate freight cost using the shorter of the reported distances from either the closest PRC port to the factory, or from the domestic supplier to the factory.

Comment 3: Respondents' Corrections Presented at Verification

Top United and Zongxun contend that the Department's final dumping calculation should incorporate corrections of errors discovered in their questionnaire responses. They cite the Department's *Memoranda on Verification Agenda,* which state that respondents may submit corrections at the start of verification. Top United and Zongxun further state that these corrections to their questionnaire responses were timely submitted and verified, and that the Department should therefore include these corrections in the calculation of respondents' dumping margins in the final determination.

Petitioner contends that the Department should not use Top United and Zongxun's corrections, because most of the errors contained in their questionnaire responses were not minor. Petitioner argues that based on the number of errors reported by Top United and Zongxun at the start of verification, the companies did not act to the best of their ability in providing accurate information. Petitioner asserts that the Department should therefore apply adverse facts available in the areas where respondents were not cooperative.

DOC Position

We agree with Top United and Zongxun and have accepted the corrections for computing the final margin calculations of the companies. The revisions corrected data already on the record and did not introduce new information not previously reported. Accordingly, we determine that resorting to facts available is unwarranted in this particular case. The Department's use of facts available is subject to section 782(d) of the Act. Under section 782(d), the Department may disregard all or part of a respondent's questionnaire response when the response is not satisfactory or it is not submitted in a timely manner. The Department has determined that neither of these conditions apply. The Department was able to verify the responses, thus rendering them satisfactory, and the types of revisions submitted by respondents met the deadline for such changes. Under section 782(e), the Department shall not decline to consider information that is (1) timely, (2) verifiable, (3) sufficiently complete that it serves as a reliable basis for a determination, (4) demonstrated to be provided based on the best of the respondent's ability, and (5) can be used without undue difficulties. In general, Top United and Zongxun have met these conditions.

Accordingly, we find no basis to reject Top United's and Zongxun's responses, and thus, no basis to rely on the facts otherwise available for our final determination.

Comment 4: Averaging U.S. Sales of Identical Merchandise in Calculating Dumping Margins

Top United and Zongxun request that the Department ensure that U.S. sales of identical merchandise, *i.e.*, sales having the same Matching Control Number, are averaged in calculating respondents' dumping margins in the final determination. They assert that the average-to-average comparison is the Department's established practice in calculating dumping margins in investigations, citing section 777A(d)(1)(A)(i) of the Act.

Petitioner opposes this request, stating that Top United and Zongxun do not cite any example where they disagree with the Department's preliminary calculations. Petitioner believes that the Department should have the flexibility to use a different comparison basis, to the extent that the facts indicate a different method of comparison.

DOC Position

We agree with Top United and Zongxun. The margin calculations have been adjusted, where necessary, to reflect weighted-average prices for U.S. sales of identical merchandise.

Comment 5: The Use of India, Not Indonesia, as the Surrogate Country

Petitioner asserts that the Department should use India as the surrogate country for the final determination. Petitioner cites to section 773(c)(4) of the Act, which requires the surrogate country to be a market economy country that (1) is at a level of economic development comparable to that of the NME, and (2) is a significant producer of comparable merchandise. While petitioner agrees that both India and Indonesia are economically comparable to the PRC, petitioner argues that the combined production of the Indian producers, as established by an affidavit in the petition, exceeds the amount of U.S. imports from Indonesia. Petitioner argues that although the Department selected Indonesia because the U.S. import statistics reflect minimal imports of ''collated nails'' from Indonesia, but none from India, the statute and regulations do not support giving greater weight to import statistics over a petitioner's information. Petitioner claims that since there is no information on the record that either country manufactures CR nails, the Department should ''* * * give Petitioner's information preferred weight, since it is the foundation upon which the petition is based, and was used by the Department as adverse facts available for non-cooperating parties.''

Top United and Zongxun argue that the Department correctly used the Indonesia data to value their material inputs, factory overhead, SG&A, and profit, in accordance with evidence presented before the Department. They contend the petition does not include any supporting data, such as production or sales data, with respect to the India nail industry which shows that India is a significant producer of CR nails. They refer to the comments on the surrogate values, dated April 9, 1997, which include the U.S. import statistics for 1996, and demonstrate a substantial volume of collated nails exported from Indonesia, whereas India exported no collated nails to the United States during the same period. They assert that an absence of exports to the United States raises a question as to whether India ever produced CR nails, based on the fact the United States is the largest consumer of collated nails in the world. Moreover, Top United and Zongxun cite to an affidavit provided in their April 7, 1997, submission from Tachikawa & Co., stating that P.T. Intan Swarkartiaka, an Indonesian producer, produces CR nails and exports them to the United States. Finally, they argue that the Indonesia data, which are concurrent with the POI, are more contemporaneous than the India data, which do not cover the POI; and that the Indonesia data are nail industry specific, while India data are on a metal-industry-wide basis.

DOC Position

We agree with Top United and Zongxun. The PAI showed that Indonesia produced collated nails during the POI, whereas there is no PAI showing that India produced any collated nails. The Indonesia data are

more contemporaneous and specific to CR nails than the India data, which are on a metal-industry-wide basis (*see Memorandum to the File*, dated September 24, 1997).

Comment 6: SG&A, Factory Overhead, and Profit Used in Calculating Plating Costs

Petitioner asserts that in calculating NV for Zongxun, the Department improperly used only factor inputs for plating, and did not include any amount for SG&A, factory overhead, or profit for the subcontractor. Petitioner argues that any subcontractor would include those three items in its price. Petitioner cites *Certain Helical Spring Lock Washers From China*, 58 FR 48833 (September 20, 1993), in which the Department verified and used the subcontractor's factors of production in calculating NV, which included materials costs, plus total direct labor, overhead expenses, general expenses, and profit. Petitioner contends that the Department should add those three elements for plating in the final determination, based on either plating expenses from other investigations, or data for the Indonesia nail industry.

DOC Position

We disagree with petitioner. In our preliminary determination, the overhead, SG&A, and profit rates were applied to the aggregate of the plating and nail factors of production. The amounts for SG&A, factory overhead, and profit for plating are therefore already included in the calculations. Thus, no recalculations for plating costs are necessary.

Comment 7: Import Prices Used to Calculate Steel Values

Petitioner alleges that the Department's calculation of steel input values based on prices from market economy countries artificially lowers the factory's costs because it utilizes the lower price for the input. Petitioner argues that the Department's ''* * * established policy of evaluating inputs in NME cases based on market prices paid by the manufacturer for inputs purchased from a market-economy source * * *'', as stated in *Tapered Roller Bearings and Parts thereof, Finished and Unfinished, From China*, 62 FR 6189 (February 11, 1997), questions commercial reality. Petitioner asserts that the Department should not use one import price to value 100% of the steel inputs where a factory in the PRC imports less than 100% of its production requirement for the POI. Instead, the Department should adopt a standard which involves assigning a value to the input actually used. Petitioner challenges the Department's rationale in the use of market price inputs, and argues that the Department's policy is wrong as a matter of law.

Top United and Zongxun refute petitioner's claim, stating that petitioner's arguments are contrary to the Department's established practice, court decisions, the proposed and final regulations, and the Act. They cite *Lasko Metal Products* v. *United States*, 43 F. 3d 1442, 1443 (Fed. Cir. 1994), stating that the CAFC upheld the Department's established practice of using actual imported prices to value material inputs in NME cases. They cite section 351.408(c)(1) from the Department's regulations which states that ''where a portion of the factor is purchased from a market economy source * * * the Secretary normally will value the factor using the price paid to the market economy supplier.'' They also cite to 19 U.S.C. 1677b(c)(1), asserting that the import price is the best available information in a market economy to value the NME producer's factors of production. They also cite to *Chrome Plated Lug Nuts from the PRC*, 56 FR 46153 (September 10, 1991), in which the Department stated that import prices are superior to the surrogate country's price because ''accuracy, fairness, and predictability are enhanced.'' They believe that the Department legitimately valued their entire wire rod input using imported prices, and should continue to do so in the final determination without adjusting the reported import prices.

DOC Position

We agree with Top United and Zongxun. When steel was purchased from a market economy, we used the prices paid to market economy suppliers to value this input, even though the producer did not purchase 100 percent of the steel from a market economy. We believe that it is normally appropriate to use those prices in lieu of values of a surrogate, market-economy producer, because the actual prices are market-driven and reflect the producer's actual experience. In most cases, there is nothing to be gained in terms of accuracy, fairness, or predictability in using surrogate values when market-determined values exist for the input used. Indeed, where we determine that a NME producer's input prices are market determined, accuracy, fairness, and predictability are enhanced by using those prices (see Chrome Plated Lug Nuts from the PRC, 56 FR 46153 (September 10, 1991)).

Comment 8: Values for Other Factor Inputs

Labor

Petitioner asserts that the Department's one figure to value both skilled and unskilled labor is unreasonably low, in comparison with the labor rates in India and those actually paid in the PRC. Petitioner also claims that this value lacks adjustments for benefits such as medical care and housing, which are generally provided in the PRC at no cost. Petitioner proposes that the Department find separate values for skilled and unskilled workers for its final determination.

Top United and Zongxun reject petitioner's argument, stating that the Indonesia labor rates that the Department used in the preliminary determination are comparable with the India labor rates available to the Department. They assert that petitioner did not provide any information showing separate values for skilled and unskilled labor, and that such data is not available to the Department. Finally, they argue that PRC labor rates are not usable in any respect because they are NME values, which are ''not accurate, reliable measures'' of normal value. *See Oscillating Fans and Ceiling Fans From PRC*, 56 FR 25664, 25667 (June 5, 1991).

DOC Position

We agree with Top United and Zongxun. As in several previous PRC investigations, *e.g. Polyvinyl Alcohol from the PRC*, 60 FR 52647 (October 10, 1995), we used data from the Yearbook of Labor Statistics to value labor. This source did not identify the skill level of this labor rate. As determined in other cases, such as *Honey from the PRC* (preliminary determination), 60 FR 14725, 14729 (March 20, 1995) and *Manganese Sulfate from the PRC* (final determination), 60 FR 52155, 52159 (October 5, 1995), there is no basis to assume the skill level of this particular surrogate labor value. Thus, for purposes of the final determination, we applied a single labor value to all reported labor factors.

Water

Petitioner suggests that the Department treat water as a factor input, not as overhead. Petitioner states that water is used in the plating process as a factor input since it is used in the chemical baths, and thus becomes part of the plating materials.

Top United and Zongxun argue that the Department will double-count water if it values the water separately because the costs for water were included in overhead for Zongxun and as diesel oil

for Top United, which maintains its own wells. They believe that this double-counting was correctly avoided by assuming water to be included in the surrogate value factory overhead. Based on how the water was used in the production process, respondents assert that the water is not incorporated into the finished product, and that the Department should accordingly follow its preliminary determination and not value water consumed by respondents as a separate factor in the final determination.

DOC Position

We agree with Top United and Zongxun that water should be considered to be included in factory overhead. Because it is a normal practice to assume that water is included in factory overhead, we find it reasonable to presume that water is included in the Indonesia overhead value we used. Therefore, if we were to assign a separate value to water, we would be double-counting the cost (*see Saccharin From the People's Republic of China,* 59 FR 58818 (November 15, 1994).

Brokerage and Handling

Petitioner claims that there is no indication in the record that the Department inflated the handling and brokerage charges to reflect POI pricing levels. Petitioner notes that the Department has made such an adjustment in the past and should make this adjustment in the final determination.

Top United and Zongxun assert that the Department did inflate the brokerage and handling charges to reflect POI pricing levels, and that petitioner disregarded the Department's efforts to accurately calculate the surrogate value.

DOC Position

We agree with petitioner, and have adjusted handling and brokerage charges to reflect the POI pricing levels.

Inland Transportation for Imported Steel

Petitioner claims that the record does not indicate that the Department included the cost of transporting the imported steel wire rod to the factory. Petitioner suggests that the Department include these costs in its final determination.

Top United and Zongxun counter that the Department *did* add the entire freight costs for transporting imported wire rod from their importing seaports to their production sites.

DOC Position

We agree with Top United and Zongxun. As stated in the Calculation Memorandum (May 5, 1997, p. 1), we ''* * * adjusted the reported unit values based on the purchased price to reflect the terms of sale for the purchase of the material input (*e.g.,* CIF, FOB) from a market-economy supplier.'' Therefore, the imported steel prices have already been adjusted to reflect inland transportation costs, and require no further calculations.

Transportation Expenses Between Factory and Plating Company

Petitioner alleges that the cost of transportation between the plating company and the factory is not indicated in the record. Petitioner states that in previous cases, the Department has looked to whether the factory or the plating company used their own trucks or an independent hauler.

Top United and Zongxun argue that the Department correctly determined not to value transportation costs between their nail production sites and their plating subcontractors in the preliminary determination. They claim that doing so would double-count the transportation costs, as these costs are included in surrogate value factory overhead. They refer to the surrogate value for factory overhead, which includes expenses such as fuel, electricity, gas machinery and equipment, and other industrial services, all of which are associated with the operation of trucks. Since Zongxun demonstrated that they transported roofing nails to and from their plating factories using their own trucks, the Department properly determined that these truck expenses are included in the surrogate factory overhead value. Citing *Helical Spring Lock Washers from the PRC,* they refer to the Department's determination to include the costs for trucking in the surrogate value for factory overhead. Finally, they note that this issue does not apply to Top United, as Top United plated its CR nails in its own factory.

DOC Position

We agree with Top United and Zongxun. As in the preliminary determination, we determined that the costs associated with this type of transportation are included in the surrogate value for factory overhead. This is similar to the Department's determination in *Helical Spring Lock Washers.* Therefore, we did not calculate a separate transportation cost for trucking the CR nails to and from the plating subcontractor.

Imports From NME Countries in Indonesia Import Data

Petitioner contends that the Department should exclude data from NME countries in the Indonesia import data for welding wire. *Citing Helical Spring Lock Washers,* petitioner states that the Department has consistently excluded such data from surrogate values and should correct this aspect of the preliminary determination.

Top United and Zongxun reject this request, claiming that petitioner failed to provide information that would enable the Department to exclude imports from NME countries from the Indonesia import data. They assert that the Department should continue to use the same Indonesia surrogate value data in the final determination, as this data constitutes ''the best available information'' (19 U.S.C. 1677b(c)(1)) to value a NME producer's material inputs.

DOC Position

We agree with petitioner that it is the Department's normal methodology to disregard data from NME countries in calculating surrogate factor values. In this case, we have removed the total quantity and value from NME countries from the import data (*see* Calculation Memorandum, dated September 23, 1997).

Comment 9: Treatment of Below-Specification Products

Petitioner asserts that the Department should adjust NV for plating thickness. Petitioner claims that Top United and Zongxun's reported plating thicknesses do not meet U.S. federal or regional, building code standards. Petitioner states that since the plating thickness was not verified, the Department should assume that Top United and Zongxun were aware of these codes and would produce merchandise that complied with the codes. Petitioner alleges that there is a significant cost differential between the plating thicknesses reported by Top United and Zongxun and those required by U.S. codes, and suggests that the Department use the information in the petition as the best available information with which to recalculate NV.

Top United and Zongxun argue that the Department correctly valued all plating chemicals that they used in production of CR nails during the POI. They claim that the Department verified that respondents correctly reported the total consumption of plating chemicals, as well as the plating thickness of their CR nails, which contradicts petitioner's allegation. They further contend that it is irrelevant to this investigation

whether or not their CR nails satisfy the building code requirements alleged by petitioner, as the purpose of this investigation is to accurately value their production costs of CR nails, not to examine the quality of their CR nails. They assert that the Department should ignore the petitioner's allegation.

DOC Position

We agree with Top United and Zongxun. At each verification, we examined whether quantities and types of materials associated with the subject merchandise were reported accurately and completely. We noted no discrepancies regarding the material quantities, with the exception of minor errors which have now been corrected (*see* verification reports for Zongxun and Top United dated June 26, 1997, and July 23, 1997, respectively). Petitioner's claim that Top United and Zongxun were aware of U.S. building codes and would produce merchandise that complied with the codes is not germaine to this issue as there is no question of inaccurate product comparisons and we have verified that all material quantities were included in the response.

Comment 10: Steel Prices

Petitioner asserts that the Department should value Top United's steel using a surrogate value, because the Department has not confirmed that the imported steel is actually used to produce the subject merchandise. Petitioner claims that at verification Top United's own officials admitted that steel other than imported steel may have been used to produce subject merchandise. Petitioner also states that the record shows that the PRC producer may not have paid for the steel inputs.

Top United refutes petitioner's claim, stating that it indeed used imported wire rods to produce CR nails, and that the imported wire rod price was actually paid, both of which were verified by the Department. Top United declares that its officials never indicated that the company did not use imported wire rod, and that petitioner misconstrued the statement in the verification report.

DOC Position

We agree with Top United. Verification supported Top United's claim that it used imported steel wire rod in the production of CR nails. Accordingly, we have continued to base the value of wire rod on average costs for the imported grade of wire rod used.

Comment 11: The MNC Rule

Petitioner alleges that all the conditions for application of the MNC provision are satisfied by Top United. Petitioner refers to section 773(d) of the Act, which contains the MNC provision, and cites *Melamine Institutional Dinnerware Products from the People's Republic of China*, 61 FR 43337, 43340 (August 22, 1996), in which the Department stated that this provision applies to cases in which the statutory criteria are met, regardless of whether it involves a market or non-market economy.

Top United contends that the Department should reject this claim because there is no information on the record indicating that Top United's NV is lower than the Taiwan prices or constructed value of its Taiwan affiliate, Unicatch. Top United further argues that petitioner is barred from introducing new information into this investigation in its case brief, citing § 351.301(b)(1) (62 FR 27405), which states that a submission of factual information is due no later than ''* * * seven days before the date on which the verification of any person is scheduled to commence * * *'' Finally, Top United argues that petitioner offered no recommendation on how to apply the MNC provision to this investigation, and without any factual evidence on the record, the Department should reject the allegation.

DOC Position

We agree with Top United. On May 19, 1997, the Department published new regulations (62 FR 27296, May 19, 1997). Although this proceeding is not governed by those regulations, they are instructive where they describe current Department practice and policy. Section 351.404 of the new regulations, 62 FR at 27412, describes the Department's current policy regarding the selection of the market to be used as the basis for NV for purposes of calculating a dumping margin. As stated in the preamble to the Final Regulations 62 FR 27357 (May 19, 1997):

> There are a variety of analyses called for by section 773 that the Department typically does not engage in unless it receives a timely and adequately substantiated allegation from a party * * * the Department does not automatically request information relevant to a multinational corporation analysis under section 773(d) of the Act in the absence of an adequate allegation.

In this case, petitioner alleged for the first time in its case brief that the Department should apply the MNC rule to Top United. Most significantly, the record of this investigation does not contain information regarding the third condition of determining a company to be part of a multinational corporation, *i.e.*, the normal value of the foreign like product produced in one or more facilities outside the exporting country is higher than the normal value of the foreign like product produced in the facilities located in the exporting country. Presenting the allegation at this point in the investigation did not allow the Department sufficient time to collect and analyze the information necessary to make a determination regarding the applicability of the MNC rule. Therefore, we reject petitioner's MNC rule allegation as untimely and unsupported by the record evidence.

Zongxun

Comment 12: Adverse Facts Available for Unreported Sales

Petitioner contends that the Department should use adverse facts available in determining the dumping margin for Zongxun due to possible unreported sales discovered during verification. Specifically, petitioner contends that the presence in Zongxun's records of certain foreign currency receipts and of CR nail sales to other PRC companies may be evidence of unreported sales. Petitioner claims that when sales cannot be accounted for, particularly where a foreign currency receipt is involved, the Department should presume the sale was an unreported sale for exportation to the United States, and the Department should use adverse facts available and use the highest margin possible. Citing 19 CFR § 351.308(a), petitioner emphasizes that the Department may make a determination on the basis of the facts available when an interested party or any other person ''* * * withholds or fails to provide information requested in a timely manner and in the form required or significantly impedes a proceeding, or the Secretary is unable to verify submitted information * * *'' Petitioner asserts that Zongxun's refusal to cooperate with verifiers to clarify the foreign currency receipts and associated transactions warrants the use of facts available in determining the appropriate margins.

Zongxun refutes petitioner's allegation. Zongxun cites the Department's verification report, which found ''no indication of export sales of subject merchandise having been improperly included in, or excluded from, Zongxun's listing of POI sales.'' With respect to its sales to PRC companies, Zongxun asserts that, even in the event that the Department determined these transactions were export sales, they could not be

considered in this investigation because they were paid in Renminbi, a NME currency. Zongxun argues that the verification report never stated that any of its domestic sales were paid in a foreign currency. Zongxun claims that the foreign currency noted in the verification report refers to a loan that is properly recorded as ''payable'' in its accounting records. Zongxun argues that a sale would be recorded as a ''receivable.'' Zongxun attests to their full cooperation during verification, and advises the Department to reject petitioner's allegation.

DOC Position

We agree with Zongxun. As stated in the verification report, nothing that we examined suggested that the foreign currency receipts were unreported sales. Therefore, we determine that these receipts do not warrant any adverse inferences for the final determination and the verified information has been used for the final determination.

Comment 13: Affiliation of Zongxun and its PRC Parent

Petitioner contends that Zongxun and its PRC parent are sufficiently related so that the Department should collapse them and treat them as a single entity for purposes of assigning a dumping margin in this investigation. Petitioner cites 19 CFR 351.401(f), and then refers to certain factors that the Department may consider when identifying the potential for manipulation of price or production, including: level of common ownership; whether managerial employees or board members of one of the affiliated producers sit on the board of directors of the other affiliated producer; and whether operations are intertwined, such as through the sharing of facilities or employees, or significant transactions between the affiliated parties. Petitioner also cites to the *Preliminary Determination of Sulfanilic Acid from the PRC* 62 FR 25917 (May 12, 1997) in which the Department found that two companies were ''affiliated'' parties, where substantial retooling would not be necessary to restructure manufacturing priorities and potential price and production manipulations between the two producers. Petitioner alleges that the verification report shows a commonality of interests and ownership, and that the failure of Zongxun and its parent to submit a consolidated response mandates the Department's use of facts available.

Zongxun rebuts this allegation, insisting that no conditions were met to collapse it and its parent, because it has been verified that its parent did not produce or export CR nails during the POI and thus is not a producer and cannot be collapsed with Zongxun. Zongxun states that the Department may collapse affiliated producers, but that petitioner's allegation is not supported by the record, and should therefore be rejected.

DOC Position

We agree with Zongxun, in part. During verification, the Department reviewed Zongxun's parent's 1996 financial statements. These financial statements did not indicate that any income had been derived from export sales of CR nails. If Zongxun's parent were to sell the subject merchandise under its own name, it would be subject to the PRC-wide rate.

Comment 14: Critical Circumstances

Petitioner alleges that the petition provided a reasonable basis to suspect that critical circumstances exist with respect to imports of subject merchandise. Petitioner cites section 733(e)(1)(A)(i) of the Act, which refers to a ''* * * history of dumping * * *'' In particular, petitioner maintains that the revoked antidumping order on steel wire nails from China, *Certain Steel Wire Nails From China,* 52 FR 33463 (September 3, 1987), provides a sufficient basis to find a history of dumping.

DOC Position

As noted above (*see* ''Critical Circumstances'' section of this notice), it is not necessary to reach a conclusion regarding a history of dumping in this case. Insofar as Top United and Zongxun do not have margins, critical circumstances do not exist with respect to these exporters. Critical circumstances do exist with respect to all other exporters based on other factors.

Continuation of Suspension of Liquidation

For Top United and Zongxun, we calculated a zero margin. Consistent with *Bicycles,* merchandise that is sold by these producers but manufactured by other producers will be subject to the order, if issued. Entries of such merchandise will be subject to the ''PRC-wide'' margin.

In accordance with section 733(d) of the Act, we are directing the Customs Service to continue to suspend liquidation of all imports of subject merchandise—except those exported and manufactured by Top United or Zongxun—that are entered, or withdrawn from warehouse, for consumption on or after February 12, 1997, which is the date three months prior to the date of publication of our preliminary determination in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP or CEP, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

Exporter/manufacturer	Weighted-average margin percentage
Top United/Top United	0
Qingdao Zongxun/Qingdao Zongxun	0
PRC-wide Rate	118.41

The PRC-wide rate applies to all entries of subject merchandise except for entries from exporters/factories that are identified individually above.

ITC Notification

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

Dated: September 24, 1997.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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