

ITC determination would be the later of 120 days after the date of this preliminary determination or 45 days after the date of our final determination.

Disclosure

We will disclose the calculations used in our analysis to parties in this proceeding within five days of the publication of this notice. See 19 CFR 351.224(b).

Public Comment

For this investigation, case briefs must be submitted no later than February 15, 2000. Rebuttal briefs must be filed no later than February 22, 2000. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case of rebuttal briefs, provided that such a hearing is requested by any interested party. Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request within 30 days of the publication of this notice. Requests should specify the number of participants and provide a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If a hearing is requested, it will be held on February 25, 2000, at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

If this investigation proceeds normally, we will make our final determination no later than 135 days after the publication of this notice in the **Federal Register**.

This determination is published pursuant to sections 733(d) and 777(i)(1) of the Act.

Dated: October 28, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-828]

Silicomanganese From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review

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

SUMMARY: The Department of Commerce ("the Department") is conducting the first administrative review of the antidumping duty order on silicomanganese from the People's Republic of China ("PRC") in response to requests by the respondents, Guangxi Bayi Ferroalloy Works ("Bayi"), and Sichuan Emei Ferroalloy Import and Export Co., Ltd ("Emei"). The period of review ("POR") is December 1, 1997 through November 30, 1998.

We have preliminarily determined that U.S. sales of subject merchandise by Bayi and Emei have been made below normal value ("NV"). Since both Bayi and Emei submitted full responses to the antidumping questionnaires and it has been established that they are sufficiently independent, they are entitled to separate rates. If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Customs Service to assess antidumping duties on entries from Bayi and Emei.

Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: November 8, 1999.

FOR FURTHER INFORMATION CONTACT: Timothy Finn or Paige Rivas, AD/CVD Enforcement Group II, Office IV, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-0065 or (202) 482-0651 respectively.

APPLICABLE STATUTE AND REGULATIONS: Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions as of January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR part 351 (1998).

SUPPLEMENTARY INFORMATION:

Background

The Department received a request for administrative review from Bayi and Emei on December 17, 1998. We

published a notice of initiation of this review on January 25, 1999 (64 FR 3682).

On January 29, 1999, we issued antidumping questionnaires to Bayi and Emei. The Department received responses from both Bayi and Emei to Section A on March 5, 1999 and Sections C and D on March 22, 1999.

We issued supplemental questionnaires to Bayi and Emei on April 12, 1999. The responses to these supplemental questionnaires were received on May 5, 1999. On July 12, 1999, the Department issued additional supplemental questionnaires to Bayi and Emei. The responses to the second supplemental questionnaires were received on August 2, 1999.

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for issuing a preliminary determination in an administrative review if it determines that it is not practicable to complete the preliminary review within the statutory time limit of 245 days. On August 25, 1999, the Department published a notice of extension of the time limit for the preliminary results in this case to November 1, 1999 (64 FR 46350).

On October 12, 1999, Bayi and Emei and petitioner, Eramet Marietta Inc. ("Eramet"), submitted publicly available information and comments for consideration in valuing the factors of production used in our NV calculations.

Scope of Review

The merchandise covered by this order is silicomanganese. Silicomanganese, which is sometimes called ferrosilicon manganese, is a ferroalloy composed principally of manganese, silicon, and iron, and normally containing much smaller proportions of minor elements, such as carbon, phosphorous and sulfur. Silicomanganese generally contains by weight not less than 4 percent iron, more than 30 percent manganese, more than 8 percent silicon and not more than 3 percent phosphorous. All compositions, forms and sizes of silicomanganese are included within the scope of this investigation, including silicomanganese slag, fines and briquettes. Silicomanganese is used primarily in steel production as a source of both silicon and manganese. This investigation covers all silicomanganese, regardless of its tariff classification. Most silicomanganese is currently classifiable under subheading 7202.30.0000 of the Harmonized Tariff Schedule of the United States ("HTS"). Some silicomanganese may also currently be classifiable under HTS subheading 7202.99.5040. Although the

HTS subheadings are provided for convenience and customs purposes, our written description of the scope is dispositive.

Separate Rates

It is the Department's policy to assign all exporters of the merchandise subject to review in non-market economy ("NME") countries a single rate, unless an exporter can demonstrate an absence of government control, both in law and in fact, with respect to exports. To establish whether an exporter is sufficiently independent of government control to be entitled to a separate rate, the Department analyzes the exporter in light of the criteria established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*), as 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*). Evidence supporting, though not requiring, a finding of *de jure* absence of government control over export activities includes: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and (3) any other formal measures by the government decentralizing control of companies. Evidence relevant to a *de facto* absence of government control with respect to exports is based on four factors concerning whether the respondent: (1) Sets its own export prices independent from the government and other exporters; (2) can retain the proceeds from its export sales; (3) has the authority to negotiate and sign contracts; and (4) has autonomy from the government regarding the selection of management. *See Silicon Carbide*, 59 FR at 22587; *see also Sparklers*, 56 FR at 20589.

In prior cases, the Department has analyzed the laws which the respondents have submitted in this record and found that they established an absence of *de jure* control. *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination; Certain Partial-Extension Steel Drawer Slides With Rollers From the People's Republic of China*, 60 FR 29572, 29573 (June 5, 1995); *see also Notice of Final Determination of Sales at Less Than Fair Value: Furfuryl Alcohol From the People's Republic of China*, 60 FR 22544 (May 8, 1995). We have no new information in this proceeding which

would cause us to reconsider this determination.

Evidence relevant to a *de facto* absence of government control with respect to exports is based on whether the respondent: (1) Sets its own export prices independent from the government and other exporters; (2) can retain the proceeds from its export sales; (3) has the authority to negotiate and sign contracts; and (4) has autonomy from the government regarding the selection of management. *See Silicon Carbide*, 59 FR at 22587; *see also, Sparklers*, 56 FR at 20589. In the instant review, each respondent has 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, according to respondents, there is no information on the record suggesting central government control over selection of management; 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. In addition, respondents' questionnaire responses indicate that company-specific pricing during the POR does not suggest coordination among exporters. This information supports a preliminary finding that there is a *de facto* absence of governmental control of export functions.

Consequently, we preliminarily determine that both of the respondents have met the criteria for the application of separate rates.

Export Price

We calculated export price ("EP") in accordance with section 772(a) of the Act, because the subject merchandise was sold directly to the first unaffiliated purchaser in the United States prior to importation and constructed export price ("CEP") methodology was not otherwise warranted, based on the facts of record. We calculated EP based on packed, CIF U.S. port, or FOB PRC port, prices to unaffiliated purchasers in the United States, as appropriate. We also deducted from the starting price, where appropriate, an amount for foreign inland freight and foreign brokerage and handling. As these movement services were provided by NME suppliers, we valued them using Indian rates. *See "Normal Value" section below for further discussion.*

Normal Value

1. Non-Market Economy Status

Section 773(c)(1) of the Act provides that the Department shall determine the

NV using a factors-of-production methodology if: (1) The merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value under section 773(a) of the Act.

The Department has treated the PRC as an NME country in all previous antidumping cases. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. None of the parties to this proceeding has contested such treatment in this review. Therefore, we treated the PRC as an NME country for purposes of this review. Furthermore, available information does not permit the calculation of NV using home market prices, third country prices, or constructed value under section 773(a) of the Act. As a result, we calculated NV by valuing the factors of production in a comparable market economy country which is a significant producer of comparable merchandise.

2. Surrogate Country

Section 773(c)(4) of the Act and 19 CFR 351.408 direct us to select a surrogate country that is economically comparable to the PRC. On the basis of per capita gross domestic product ("GDP"), the growth rate in per capita GDP, and the national distribution of labor, we find that India is a comparable economy to the PRC. *See Memorandum from Director, Office of Policy, to Office Director, AD/CVD Group II, Office IV*, dated June 24, 1999.

Section 773(c)(4) of the Act also requires that, to the extent possible, the Department use a surrogate country that is a significant producer of merchandise comparable to Silicomanganese. For purposes of the LTFV investigation, we found that India was a significant producer of comparable merchandise. *See Preliminary Results Factors of Production Memorandum from the Team to the File*, dated October 20, 1999 (*Factors Memorandum*). Accordingly, absent evidence to the contrary we continue to find India is a significant producer of silicomanganese based on information submitted by the respondents in their October 1999 submission. Therefore, we have continued to use India as the surrogate country and have used publicly available information relating to India, unless otherwise noted, to value the various factors of production used in our calculations.

3. Factors of Production

For purposes of calculating NV, we valued PRC factors of production in accordance with section 773(c)(1) of the Act. Factors of production include, but are not limited to: hours of labor employed; quantities of raw materials required; amounts of energy and other utilities consumed; and representative capital cost, including depreciation. In examining surrogate values, we selected, where possible, publicly available published information on imports of materials into the surrogate country within the POR or most contemporaneous with the POR. Where possible, we calculated the average of these import prices exclusive of taxes for use as the surrogate value. For a more detailed explanation of the methodology used in calculating various surrogate values, see the *Factors Memorandum*. In accordance with this methodology, we valued the raw materials and inputs as follows:

Respondents have stated that they import manganese ore and purchase domestically produced manganese ore. Imported manganese ore was purchased from a market economy supplier and paid for in a market economy currency. Therefore, we used the market economy price paid to the supplier in accordance with section 351.408(c)(1) of the Department's regulations. For domestic manganese ore with a reported 30 percent purity and manganese rich slag, we used a price quote from an Indian supplier from 1997 for the lowest available grade of manganese ore because 30 percent purity and slag are regarded as low grade manganese.

For dolomite, we relied on 1997 Indian import prices for limestone, a comparable material contained in the September and November issues of *Indian Import Statistics*.

To value coke, we relied on India import prices contained in the September and November 1997, as well as the March 1998, issues of *Indian Import Statistics*.

For certain minor miscellaneous materials (e.g., silicon ore) we were unable to find usable factor values. For purposes of the preliminary results we have not assigned a value for these factors of production. We will continue to search for appropriate factor values for use in the final results and will provide notice and opportunity to comment on such values. See *Factors Memorandum*.

For those values not contemporaneous with the POR, we adjusted for inflation using the wholesale price indices ("WPI") published by the International Monetary

Fund ("IMF"). We made further adjustments to account for freight costs between the suppliers and Bayi's and Emei's manufacturing facilities.

In accordance with our practice, we added to CIF import values from India 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. See *Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China*, 62 FR 61977 (November 20, 1997).

We valued labor based on a regression-based wage rate, in accordance with 19 CFR 351.408(c)(3).

For electricity, we relied upon public information from the 1995 edition of *IEA Energy Prices and Taxes* to obtain an average of prices for electricity provided to all industries in India. We adjusted the values to reflect inflation up to the POR using the WPI published by the IMF.

For the reported packing materials (i.e., woven plastic bags), we relied upon Indian import data in the April 1997 through March 1998 issues of *Indian Import Statistics*. We adjusted the values to reflect inflation up to the POR using the WPI published by the IMF. Additionally, we adjusted these values to account for freight costs incurred between the suppliers and Bayi and Emei.

For foreign inland freight, we used the August 1998 truck and rail rates from *Rahul Roadlines*, an Indian inland freight supplier.

For foreign brokerage and handling, we used the average of the rates reported in the public questionnaire response in the Antidumping Duty Investigation. See *Certain Stainless Steel Wire Rod from India; Preliminary Results of Antidumping Duty Administrative and New Shipper Review*, 63 FR 48184 (September 9, 1998); See also *Factors Memorandum*. We adjusted the values to reflect inflation up to the POR using the WPI published by the IMF.

For factory overhead ("FOH"), selling, general, and administrative expenses ("SG&A"), and profit, we used information reported for 1992-1993 in the *Reserve Bank of India Bulletin*. From this information, we were able to calculate factory overhead as a percentage of direct material, labor, and energy expenses; SG&A as a percentage of the total cost of manufacturing; and profit as a percentage of the sum of the total cost of manufacturing and SG&A.

Interested Party Comments on Factor Valuation

In their October 16, 1999, factor value submissions, interested parties also provided comment on how certain factor inputs should be valued. For electricity, Bayi and Emei argued that Indian electricity rates are aberrationally high and should be rejected in favor of Indonesian electricity rates. Bayi and Emei argue that Indian electricity rates are controlled by the state, which sets artificially high rates for industrial users in order to subsidize low rates for residential users. As evidence of the aberrational nature of Indian industrial rates, Bayi and Emei present the ratio of residential to industrial rates for India, China, the United States and other countries. They argue that this ratio, 0.34 for India compared with 1.66 for Brazil and 1.69 for the United States, among others, demonstrates the aberrationally high nature of Indian rates. Bayi and Emei also submitted press reports showing the deleterious effect of increases in electricity rates on Indian silicomanganese producers.

We are not persuaded by Bayi and Emei's submission that Indian rates should be rejected in favor of Indonesian rates. We have used Indian electricity rates consistently for many PRC cases, including products for which electricity is a major input, see e.g., *Manganese Metal*. The fact that the state controls electricity rates is not a basis to reject Indian rates as some degree of state control is common in many countries. In addition, a comparison of the ratio of industrial to residential rates between India and other countries is not necessarily meaningful for purposes of selecting sources for factor valuation. Each country has a unique mix of sources of electrical supply (e.g., Hydroelectric, Nuclear, Industrial Self-Generated) as well as a unique mix of users (e.g., residential, agricultural). Moreover, electricity is not generally a traded good. Thus, cross-country comparisons are inappropriate for purposes of factor valuation. Furthermore, unless the record convincingly demonstrates that factor values are unreliable, the Department generally prefers to stay within the same country for factor valuation wherever possible because it leads to more consistent results than picking and choosing factor values from different countries. Accordingly, we continue to value electricity based on Indian data.

For manganese rich slag, Eramet argued that we should consider it a by-product rather than a co-product. Bayi and Emei both produce ferromanganese (in addition to silicomanganese); this

production process generates manganese rich slag as a subsidiary product. Eramet provided invoices from a market-economy producer and a U.S. producer showing that manganese rich slag has a significant market value. However, relative to the market value of ferromanganese, it should be considered a by-product and valued in accordance with GAAP. Eramet proposes valuing manganese rich slag by adjusting the price of manganese ore by a ratio to account for differences in manganese content. Eramet calculates this ratio using the above referenced invoices. Bayi and Emei argue that manganese rich slag is a waste product with no commercial value, and as such, no factor input value should be used for it in the NV calculations.

We preliminarily disagree with both parties on this point. Manganese rich slag, used in conjunction with manganese ore, is clearly a major input into the production process of silicomanganese and we have valued it using Indian values. Moreover, the above-mentioned ratio is not a reliable basis for adjusting Indian Import values of manganese ore. *See Factor Memorandum.*

Preliminary Results of the Review

We preliminarily determine that the following margins exists for the period December 1, 1997 through November 30, 1998:

Manufacturer/exporter	Margin (percent)
Guangxi Bayi Ferroalloy Works	57.71
Sichuan Emei Ferroalloy Import and Export Co., Ltd ...	67.97

Interested parties may request a hearing within 30 days of publication of this notice. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 44 days after the date of the publication of this notice or the first workday thereafter. Interested parties may submit case briefs within 30 days of publication. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than 35 days after the date of publication. Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited.

The Department will subsequently issue the final results of this administrative review, including the results of its analysis of issues raised in

any such written briefs or at a hearing, not later than 120 days after the date of publication of this notice.

Upon issuance of the final results, the Department will determine, and Customs shall assess, antidumping duties on all appropriate entries for assessment purposes. Pursuant to 19 CFR 351.212(b)(1), where we analyze and use a company's response, we intend to calculate an importer-specific duty assessment rate by dividing the total amount of dumping margins calculated for sales to each importer by the total number of units of those same sales sold to that importer. The unit dollar amount will be assessed uniformly against each unit of merchandise of that specific importer's entries during the POR.

Furthermore, the following deposit requirements will be effective upon publication of the final results of this antidumping duty administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) For Bayi and Emei, which both have separate rates, the cash deposit rate will be 57.71 percent and 67.97 percent, respectively; (2) for any previously reviewed PRC and non-PRC exporter with a separate rate, the cash deposit rate will be the company- and product-specific rate established for the most recent period; (3) 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; and (4) the cash deposit rate for all other PRC exporters will continue to be 150.00 percent, the PRC-wide rate established in the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) 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 administrative review is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: November 1, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99-29203 Filed 11-5-99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-810]

Stainless Steel Bar From India; Notice of Extension of Time Limit for Administrative Review and New Shipper Review

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

ACTION: Notice of extension of time limit.

SUMMARY: The Department of Commerce is extending the time limit for the preliminary results of the fourth administrative review and new shipper review of the antidumping duty order on stainless steel bar from India. The period of review for both segments of the proceeding is February 1, 1998 through January 31, 1999. This extension is made pursuant to Section 751(a)(3)(A) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act.

EFFECTIVE DATE: November 8, 1999.

FOR FURTHER INFORMATION CONTACT: Zak Smith, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482-0189.

SUPPLEMENTARY INFORMATION: Because of the extraordinary complicated issues involved in these reviews it is not practicable to complete the reviews within the originally anticipated time limit (*i.e.*, November 1, 1999). Therefore, the Department of Commerce ("the Department") is extending the time limit for completion of the preliminary results to not later than February 28, 2000, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act ("the Act"). *See* October 25, 1999, Memorandum from Susan Kuhbach to Richard Moreland on file in the public file of the Central Records Unit, B-099 of the Department.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.