

Union Steel Manufacturing Co., Ltd.

Comment 14: *Treatment of Union's CEP Offset*

Comment 15: *Treatment of Union's Indirect Selling Expenses Incurred in Korea*

Comment 16: *Treatment of Union's Indirect Selling Expense Ratio*

Comment 17: *Union's Treatment of Bad Debt Expenses Incurred by Dongkuk International Inc.*

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Comment 19: *Treatment of Union's Warranty Expenses*

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Comment 23: *Treatment of the POSCO Group's Indirect Selling Expenses Incurred in Korea*

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DEPARTMENT OF COMMERCE**International Trade Administration**

[A-570-878]

Saccharin from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review

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

SUMMARY: On August 8, 2005, the Department of Commerce ("the

Department") published the preliminary results of the administrative review of the antidumping duty order on saccharin from the People's Republic of China. *See Saccharin from the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review*, 70 FR 45657 (August 8, 2005) ("Preliminary Results"). The period of review is December 27, 2002, through June 30, 2004.

We invited interested parties to comment on our *Preliminary Results*. Based on our analysis of the comments received, we have made certain changes to our calculations. Therefore, the final results differ from the *Preliminary Results*. The final weighted-average dumping margin for the reviewed company is listed in the "Final Results of the Review" section below.

EFFECTIVE DATE: February 13, 2006.

FOR FURTHER INFORMATION CONTACT:

Jennifer Moats or Blanche Ziv, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, DC 20230; telephone: (202) 482-5047 or (202) 482-4207, respectively.

SUPPLEMENTARY INFORMATION:**Background**

On August 8, 2005, the Department published the preliminary results of the administrative review of the antidumping duty order on saccharin from the People's Republic of China ("PRC"). *See Preliminary Results*. Since the publication of the preliminary results, the following events have occurred.

On August 29, 2005, Shanghai Fortune Chemical Co., Ltd. ("Shanghai Fortune") requested a hearing pursuant to 19 CFR 351.310(c). On December 22, 2005, Shanghai Fortune withdrew its request for a hearing. *See Memorandum to the File from Ann Fornaro Through Blanche Ziv "Withdrawal of Hearing Request,"* dated December 22, 2005, which is available in the Central Records Unit ("CRU") in Room B-099 of the main Commerce building. As there were no other requests for a hearing, the Department did not hold a hearing in this proceeding.

On August 31, 2005, the Department received submissions on surrogate value data from the petitioner, PMC Specialties Group ("Petitioner"), and Shanghai Fortune. On September 12, 2005, the Department received timely filed information for rebuttal and clarification from Petitioner.

On August 22, 2005, Shanghai Fortune submitted its response to the remaining information requested by the Department in its supplemental questionnaire issued on July 22, 2005. The first portion of this supplemental questionnaire was submitted on July 26, 2005. *See Shanghai Fortune's "Saccharin from the People's Republic of China; Submission of Shanghai Fortune's Seventh Supplemental Response,"* dated July 26, 2005.¹

On December 5, 2005, the Department published a notice in the **Federal Register** extending the time limit for the final results until February 6, 2006. *See Notice of Extension of Time Limit for Final Results of Administrative Review: Saccharin From the People's Republic of China*, 70 FR 72424 (December 5, 2005).

On December 13, 2005, the Department received case briefs from the Petitioner and Shanghai Fortune. On December 20, 2005, the Department received rebuttal briefs from Petitioner and Shanghai Fortune.

On January 19, 2006, the Department placed updated surrogate value information on the record of this review in order to allow parties an opportunity to comment on the new information. *See Memorandum to the File From Jennifer Moats "Updated Surrogate Value Information,"* dated January 19, 2006. On January 23, 2006, the Department received timely filed comments on surrogate values from Petitioner and Shanghai Fortune.

On January 19, 2006, the Department issued a supplemental questionnaire to Shanghai Fortune requesting information on certain by-products that it claimed to have produced and sold during the POR. On January 20, 2006, the Department issued an additional supplemental questionnaire to Shanghai Fortune requesting further information on certain by-products at issue. On January 24, 2006, the Department received a timely filed response to these supplemental questionnaires from Shanghai Fortune.

We have conducted this review in accordance with section 751 of the Tariff Act of 1930, as amended ("the Act"), and 19 CFR 351.213.

Scope of the Order

The product covered by this antidumping duty order is saccharin. Saccharin is defined as a non-nutritive sweetener used in beverages and foods, personal care products such as toothpaste, table top sweeteners, and animal feeds. It is also used in

¹ For discussion of previous supplemental questionnaire responses, *see Preliminary Results*, 70 FR at 45658.

metalworking fluids. There are four primary chemical compositions of saccharin: (1) Sodium saccharin (American Chemical Society Chemical Abstract Service ("CAS") Registry #128-44-44); (2) calcium saccharin (CAS Registry #6485-34-34); (3) acid (or insoluble) saccharin (CAS Registry #81-07-07); and (4) research grade saccharin. Most of the U.S.-produced and imported grades of saccharin from the PRC are sodium and calcium saccharin, which are available in granular, powder, spray-dried powder, and liquid forms.

The merchandise subject to this order is currently classifiable under subheading 2925.11.00 of the *Harmonized Tariff Schedule of the United States* ("HTSUS") and includes all types of saccharin imported under this HTSUS subheading, including research and specialized grades. Although the HTSUS subheading is provided for convenience and customs purposes, the Department's written description of the scope of this order remains dispositive.

Analysis of Comments Received

All issues raised in the post-preliminary comments submitted by parties in this review are addressed in the Issues and Decision Memorandum, dated February 6, 2006, ("Decision Memorandum") which is hereby adopted by this notice. A list of the issues which parties raised and to which we respond in the *Decision Memorandum* is attached to this notice as an Appendix. The *Decision Memorandum* is a public document which is on file in the CRU in Room B-099 of the main Commerce building and is accessible on the Web at <http://ia.ita.doc.gov/>. The paper copy and electronic version of the memorandum are identical in content.

Partial Recession of Administrative Reviews

In the *Preliminary Results*, the Department issued a notice of intent to rescind the administrative reviews with respect to Daiwa Kenko Company Limited ("Daiwa-Kenko"), Kenko Corporation, and Productos Aditivos, S.A. ("Productos Aditivos") because we found no evidence that these companies made shipments of subject merchandise during the POR. See *Preliminary Results*, 70 FR at 45659. The Department received no comments on this issue, and we did not receive any further information since the issuance of the *Preliminary Results* that provides a basis for reconsideration of this determination. Therefore, the Department is rescinding this

administrative review with respect to Daiwa-Kenko, Kenko Corporation, and Productos Aditivos.

Separate Rates

In our *Preliminary Results*, we determined that Shanghai Fortune met the criteria for the application of a separate rate. We determined that Suzhou Fine Chemicals Group Co. ("Suzhou Chemicals"), Kaifeng Xinghua Fine Chemical Factory ("Kaifeng Chemical"), Tianjin North Food, Tianjin Changjie Chemical Co., Ltd. ("Tianjin Changjie"), and Beta Udyog Ltd. ("Beta Udyog") did not qualify for a separate rate and, therefore, are deemed to be included in the PRC-*entity* rate. See *Preliminary Results*, 70 FR at 45660-62. The Department received no comments on this issue, and we did not receive any further information since the issuance of the *Preliminary Results* that provides a basis for reconsideration of these determinations. Therefore, for the *Final Results*, the Department included Suzhou Chemicals, Kaifeng Chemical, Tianjin Changjie, and Beta Udyog in the PRC-*entity*.

The PRC-Wide Rate and Use of Adverse Facts Available

Suzhou Chemicals, Kaifeng Chemical, Tianjin North Food, Tianjin Changjie, and Beta Udyog

In the *Preliminary Results*, we determined that the PRC-*entity* did not respond to the questionnaire and, therefore, failed to cooperate to the best of its ability in this administrative review. Accordingly, we determined that the use of facts otherwise available in reaching our determination is appropriate pursuant to sections 776(a)(2)(A) and (B) of the Act and that the use of an adverse inference in selecting from the facts available is appropriate pursuant to section 776(b) of the Act. In accordance with the Department's practice, as adverse facts available, we assigned to the PRC-*entity* the rate of 329.33 percent. For detailed information on the Department's corroboration of this rate, see *Preliminary Results*, 70 FR at 45662. The Department received no further information or comments on this issue since the issuance of the *Preliminary Results* that provides a basis for reconsideration of this determination. Therefore, we continued to assign the PRC-*entity* the rate of 329.33 percent for the *Final Results*.

Other Changes Since the Preliminary Results

Based on our analysis of information on the record of this review and

comments received from the interested parties, we have made changes to the margin calculations for Shanghai Fortune.

We have also revalued several of the surrogate values used in the *Preliminary Results*. The values that were modified for these final results are those for ammonia water, liquid chlorine, steam coal, sulfur dioxide, and activated carbon. In the *Preliminary Results*, we determined that India is the preferred surrogate country for purposes of calculating the factors of production. See Section 773(c)(4) of the Act. While India remains our primary surrogate country for this review, we found the publicly available information in India for sulfur dioxide to be unreliable because of small quantities and aberrant values. As such, we used data from Indonesia to value this input. The use of a secondary source country when data from the primary surrogate country is unreliable is consistent with the Department's practice. See *Certain Hot-Rolled Carbon Steel Flat Products from Romania: Final Results of Antidumping Duty Administrative Review*, 70 FR 34448 (June 14, 2005), and accompanying Issues and Decision Memorandum at Comment 2, and *Chrome-Plated Lug Nuts from the PRC: Final Results of the Antidumping Duty Administrative Review*, 61 FR 58514, 58517-18 (November 15, 1996). For further details see "Factors Valuations for the Final Results of the Administrative Review," dated February 6, 2006.

In the *Preliminary Results*, because of the lack of clarity in Shanghai Fortune's responses as to whether its phthalic anhydride was supplied from a market economy, the Department used surrogate values to value all of Shanghai Fortune's reported factors. See *Preliminary Results* at 45664 and Memorandum to the File From Steve Williams Through Brian Ledgerwood "Preliminary Results of First Administrative Review of Saccharin from the People's Republic of China (PRC): Analysis of Shanghai Fortune Chemical Co., Ltd.," which is available in the CRU in Room B-099 of the main Commerce building. Subsequent to the Department's *Preliminary Results*, Shanghai Fortune clarified that the phthalic anhydride inputs used in its production of subject merchandise during the POR were, in fact, sourced from a market economy country and paid for in a market economy currency. See Shanghai Fortune's "Saccharin from the People's Republic of China; Submission of Publicly Available Data For Use As Surrogate Values," dated August 31, 2005, at page 13. When a

non-market economy producer purchases an input from market economy suppliers and pays for that input in a market economy currency, the Department normally uses the actual price paid for these inputs, where possible. *See* 19 CFR 351.408(c)(1). Because Shanghai Fortune provided sufficient documentation on the record of this review demonstrating that the phthalic anhydride used was sourced from a market economy and paid for in a market economy currency, we are using the actual average price paid by Shanghai Fortune for this input for the final results. For further details, *see* Issues and Decision Memorandum at Comment 3, and Memorandum to the File From Jennifer Moats Through Wendy Frankel "Analysis for the Final Results of the Administrative Review of the Antidumping Duty Order on Saccharin from the People's Republic of China: Shanghai Fortune Chemical Co., Ltd. ("Shanghai Fortune Final Analysis Memo")," dated February 6, 2006, which is available in the CRU in Room B-099 of the main Commerce building.

Since our issuance of the *Preliminary Results*, we have reviewed our calculations of surrogate values and found some to contain clerical errors, which we have corrected for the *Final Results*. These values are for the products sulphuric acid, hydrochloric acid, sodium bicarbonate, sodium hypochlorite, cardboard drums and cartons, inner plastic bags, plastic film, and pallets. For further details, *see* "Factors Valuations for the Final Results of the Administrative Review," dated February 6, 2006.

For further information detailing all of the changes to Shanghai Fortune's calculations in the final results, *see* Shanghai Fortune Final Analysis Memo.

Final Results of the Review

The Department has determined that the following final dumping margins exist for the period December 27, 2002, through June 30, 2004:

SACCHARIN FROM THE PRC

Producer/Manufacturer/ Exporter	Weighted-Average Margin (Percent)
Shanghai Fortune Chemical Co., Ltd.	17.05%
PRC-Wide Entity ²	329.33%

²The PRC-wide entity includes: Suzhou Fine Chemicals Group Co., Kaifeng Xinghua Fine Chemical Factory, Tianjin North Food, Tianjin Changjie Chemical Co., Ltd., and Beta Udyog Ltd.

The Department will disclose calculations performed for these final results to the parties within five days of

the date of publication of this notice in accordance with 19 CFR 351.224(b).

Duty Assessment and Cash-Deposit Requirements

The Department will determine, and U.S. Customs and Border Protection ("CBP") shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate assessment instructions directly to CBP within 15 days of publication of the final results of this review. For assessment purposes, we calculated exporter/importer (or customer)-specific assessment rates or values for merchandise subject to this review. Because Shanghai Fortune reported entered values, for these final results, we divided the total dumping margins for the reviewed sales by the total entered value for the reviewed sales for each applicable importer. For duty-assessment rates calculated on this basis, we will direct CBP to assess the resulting percentage margin against the entered customs values for the subject merchandise on each of the applicable importer's/customer's entries during the review period.

Further, the following cash-deposit requirements will be effective upon publication of these final results of the administrative review for shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results, as provided by section 751(a)(2)(C) of the Act: (1) For subject merchandise exported by Shanghai Fortune, the cash-deposit rate will be 17.05 percent; (2) for previously reviewed or investigated companies not listed above that have separate rates, the cash-deposit rate will continue to be the company-specific rate published for the most recent period; (3) for all other PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash-deposit rate will be the PRC-wide rate of 329.33 percent; (4) for all non-PRC exporters of subject merchandise, the cash-deposit rate will be the rate applicable to the PRC exporter that supplied that exporter. These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

Notification of Interested Parties

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during the review period. Pursuant to 19 CFR 351.402(f)(3), failure to comply

with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO as explained in the administrative protective order itself. *See* 19 CFR 351.306. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. *See* 19 CFR 351.305(a)(3). Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These final results of administrative review and notice are issued and published in accordance with sections 751(a)(3) and 777(i) of the Act.

Dated: February 6, 2006.

David M. Spooner,
Assistant Secretary for Import Administration.

Appendix 1

Decision Memorandum

1. Bona Fides
 2. By-Product Offset
 3. Valuation of Phthalic Anhydride
 4. Valuation of Brokerage and Handling
 5. Valuation of Ammonia Water
 6. Valuation of Liquid Chlorine
 7. Valuation of Sulfur Dioxide
 8. Valuation of Ocean Freight
 9. Valuation of Steam Coal
 10. Valuation of Activated Carbon
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DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-806]

Notice of Final Results of Antidumping Duty Administrative Review: Silicon Metal from Brazil

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

SUMMARY: On August 8, 2005, the Department of Commerce ("the Department") published in the **Federal Register** the preliminary results of the administrative review of the order on silicon metal from Brazil. *See Silicon Metal from Brazil: Preliminary Results of Antidumping Duty Administrative Review*, 70 FR 45665 (August 8, 2005) ("Preliminary Results"). This review covers one manufacturer/exporter of the