

published a notice of opportunity to request administrative reviews of the antidumping duty orders on HFHTs from the PRC covering the period February 1, 2001, through January 31, 2002 (67 FR 4945). On February 28, 2002, Tianjin Machinery Import & Export Corporation (TMC), Shandong Machinery Import & Export Corporation (SMC), Liaoning Machinery Import & Export Corporation (LMC), and Huarong requested administrative reviews in the above-referenced proceedings. Specifically, TMC requested reviews of the hammers/sledges, bars/wedges, picks/mattocks and axes/adzes orders, SMC requested reviews of the hammers/sledges, bars/wedges, and picks/mattocks orders, LMC requested a review of the bars/wedges order, and Huarong requested a review of the bars/wedges order. Based on these requests, the Department initiated the current administrative reviews of TMC, SMC, LMC, and Huarong under the requested orders on March 20, 2002. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocations in Part*, 67 FR 14696 (March 27, 2002).

On May 3, 2002, LMC withdrew its request for review of the bars/wedges order. On May 10, 2002, TMC withdrew its requests for review of the hammers/sledges and picks/mattocks orders. On June 7, 2002, SMC withdrew its request for review under the picks/mattocks order. Additionally, on September 26, 2002, TMC withdrew its requests for review of the axes/adzes order and bars/wedges order, and SMC withdrew its requests for review of the bars/wedges and hammers/sledges orders. The Department rescinded these reviews on January 3, 2003. *See Notice of Rescission of Antidumping Duty Administrative Review: Heavy Forged Hand Tools from the People's Republic of China: Partial Rescission of Antidumping Duty Administrative Review*, 68 FR 352 (January 3, 2003). The remaining review covers bars/wedges sold by Huarong.

Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), the Department may extend the deadline for completion of the preliminary results of an administrative review if it determines that it is not practicable to complete these preliminary results within the statutory time limit of 245 days. On October 22, 2002, in accordance with the Act, the Department published its extension of the time limit for completing the preliminary results of this review. *See Heavy Forged Hand Tools from the People's Republic of China: Extension of Time Limit for Preliminary Results of*

*Antidumping Duty Administrative Review*, 67 FR 64869 (October 22, 2002).

The Department is conducting this administrative review in accordance with section 751 of the Act.

#### Scope of Review

The products covered by this review are bars over 18 inches in length, track tools and wedges (bars/wedges), which may or may not be painted, may or may not be finished; assorted bar products and track tools including wrecking bars, digging bars and tampers; and steel wood splitting wedges. The subject merchandise is manufactured through a hot forge operation in which steel is sheared to required length, heated to forging temperature, and formed to final shape on forging equipment using dies specific to the desired product shape and size. Depending on the product, finishing operations may include shot blasting, grinding, polishing and painting. Bars and wedges are currently provided for under the Harmonized Tariff Schedule of the United States (HTSUS) subheading 8205.59.30. Specifically excluded from this review are bars 18 inches in length and under. The HTSUS subheading is provided for convenience and Customs purposes. The written description remains dispositive.

#### Separate Rates Determination

To establish whether a company operating in a non-market economy (NME) is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting entity under the test 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*), and the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*). Under this test, NME firms are entitled to separate, company-specific margins when they can demonstrate an absence of government control, both in law and in fact, with respect to their export activities. 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 the 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. *De facto* absence of government control over exports is based on four factors: (1) Whether each

exporter sets its own export prices independent of the government and without the approval of a government authority; (2) whether each exporter retains the proceeds from its sales and makes independent decisions regarding the disposition of profits or financing of losses; (3) whether each exporter has the authority to negotiate and sign contracts and other agreements; and (4) whether each exporter has autonomy from the government regarding the selection of management. *See Silicon Carbide*, 59 FR at 22587 and *Sparklers*, 56 FR at 20589.

In the final results of the 2000–2001 administrative reviews of HFHTs from the PRC, the Department granted a separate rate to Huarong. *See Heavy Forged Hand Tools from the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review and Determination Not To Revoke in Part*, 67 FR 57789 (September 12, 2002). It is the Department's policy to evaluate separate rates questionnaire responses each time a respondent makes a separate rates claim, regardless of any separate rate the respondent received in the past. *See Manganese Metal From the People's Republic of China, Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 63 FR 12441 (March 13, 1998).

In the instant review, Huarong submitted a complete response to the separate rates section of the Department's questionnaire. The evidence submitted by Huarong includes government laws and regulations on corporate ownership, its business licence, and narrative information regarding its operations and selection of management. This evidence supports a finding of a *de jure* absence of government control over export activities: (1) There are no controls on exports of subject merchandise, such as export quotas applied to the subject merchandise and no export license is required for exports of the subject merchandise to the United States; and (2) the subject merchandise does not appear on any government list regarding export provisions or exporting licensing. Huarong has also shown *de facto* absence of government control over exports in its questionnaire response: (1) Huarong sets its own export prices independently of the government and without requiring the approval of a government authority; (2) Huarong retains the proceeds from its sales and makes independent decisions regarding the disposition of profits or financing of losses; (3) Huarong has a general manager and three vice general managers with the authority to negotiate and bind the company in an agreement;