

pricing during the POR does not suggest coordination among exporters. Based on our verification findings, there is a sufficient basis to preliminarily determine that each of these respondents has demonstrated a *de facto* absence of government control of its export functions and is entitled to a separate rate. Consequently, we have preliminarily determined that each of these respondents has met the criteria for the application of separate rates.

Fair Value Comparisons

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

Export Price

We used export price methodology in accordance with section 772(a) of the Act because the subject merchandise was sold by the exporter outside the United States directly to an unaffiliated purchaser in the United States prior to importation and constructed export price was not otherwise indicated. We made the following company-specific adjustments:

A. Gerber

For Gerber, we calculated export price based on packed, delivered prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight and international freight (which included ocean freight), foreign and U.S. brokerage and handling expenses, and U.S. duty expenses in accordance with section 772(c) of the Act. Because foreign inland freight, foreign brokerage, and handling charges were provided by PRC service providers or paid for in renminbi, we based these charges on surrogate rates from India. (See "Surrogate Country" section below for further discussion of our surrogate country selection). To value foreign inland trucking charges, we used a November 1999 average truck freight value based on price quotes from Indian trucking companies. (See *Brake Rotors from the People's Republic of China: Preliminary Results and Preliminary Partial Rescission of Fifth Antidumping Duty Administrative Review and Preliminary Results of the Seventh New Shipper Review*, 68 FR 1031, 1035 (January 8, 2003).) To value foreign brokerage and handling expenses, we relied on public information reported in the 1998–1999 antidumping duty

administrative and new shipper reviews of stainless steel bar from India. Because international freight for all U.S. sales was provided by a market-economy service provider and paid for in U.S. dollars, we used the data reported by Gerber for this charge, adjusted to reflect verification findings. Also, as a result of our verification findings, we revised the reported U.S. brokerage and handling expenses, and added an amount for harbor maintenance fees and merchandise processing fees to the reported U.S. duty expense amounts. (See Gerber Verification Report at 3, and 11–15.)

B. Green Fresh

For Green Fresh, we calculated export price based on packed, CNF foreign port prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight, brokerage, and handling charges in the PRC, and international freight in accordance with section 772(c) of the Act. (See discussion above for further details.) Because foreign inland freight, foreign brokerage, and handling charges were provided by PRC service providers or paid for in a renminbi, we based those charges on surrogate rates from India. Because international freight for all U.S. sales was provided by a market-economy service provider and paid for in U.S. dollars, we used Green Fresh's reported data for this charge. Based on our verification findings, we revised the reported distance from Green Fresh's supplier factory, Zhangzhou Longhai Lu Bao Food Co., Ltd. ("Lu Bao"), to the port of exportation. (See Green Fresh Verification Report at 13.)

C. Guangxi Yulin

For Guangxi Yulin, we calculated export price based on packed, FOB foreign port prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight, brokerage, and handling charges in accordance with section 772(c) of the Act. Because foreign inland freight, brokerage and, handling charges were provided by PRC service providers or paid for in renminbi, we based these charges on surrogate rates from India. (See discussion above for further details.) Based on our verification findings, we revised the reported distance from Yulin to the port of exportation and the per-unit packed weight amount used to calculate foreign inland freight and brokerage and

handling charges. (See Guangxi Yulin Verification Report at 11, 12.)

D. Shantou Hongda

For Shantou Hongda, we calculated export price based on packed, FOB foreign port prices to the first unaffiliated purchaser in the United States. Where appropriate, we made deductions from the starting price (gross unit price) for foreign inland freight, brokerage, and handling expenses in accordance with section 772(c) of the Act. Because foreign inland freight, brokerage, and handling charges were provided by PRC service providers or paid for in renminbi, we based these charges on surrogate rates from India. (See discussion above for further details.) Because Shantou Hongda reported its U.S. prices net of ocean freight (which was separately invoiced and paid in full by its U.S. customers), we did not deduct an amount for this expense from the starting price. Based on our verification findings, we revised (1) the gross unit prices reported for certain transactions as explained further below; (2) the reported distance from Shantou Hongda's supplier factory, Lixi Cannery ("Lixi"), to the port of exportation; and (3) the reported per-unit packed weight based on data contained in the Shantou Hongda's response.

Our verification findings revealed that the gross unit prices reported for numerous sales examined at verification (*i.e.*, 15 of 43 examined sales observations) were incorrect. Therefore, we corrected these prices to reflect the actual prices verified. In so doing, we found that certain prices were under-reported and other prices were over-reported. Because Shantou Hongda did not explain at verification the nature of these price reporting errors, and given the number of transactions in our verification sample we found to be affected by price reporting errors, we determined that it is appropriate, pursuant to section 776(a)(2)(D) of the Act, to apply facts available to the prices of the remaining U.S. transactions. Without reliable price information on the record, the Department cannot accurately calculate an antidumping rate for Shantou Hongda. Thus, the Department must apply facts available. Because Shantou Hongda did not provide the Department with an accurate list of U.S. prices, it did not cooperate to the best of its ability in responding to the Department's request for information. Thus, pursuant to 776(b) of the Act, the Department is instructed to apply an inference which is adverse to the uncooperative party. Accordingly, as partial adverse facts