

for this purpose. See the October 1, 2002, *Initiation Checklist*, on file in the CRU, Room B-099, of the Main Commerce Department building, for a discussion of the margin calculations in the petition. In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the export price (EP) and NV calculations on which the margins in the petition were based.

In order to corroborate the petition's EP calculations, we compared the prices in the petition for PVA to the prices submitted by SVW. In order to corroborate the petitioners' NV calculation, we compared the petitioners' factor consumption and/or surrogate value data for PVA to the data reported by SVW for the most significant factors—vinyl acetate monomer (VAM) and its by-product acetic acid, electricity, factory overhead, and selling, general, and administrative (SG&A) expenses, and profit—and to surrogate values selected by the Department for the preliminary determination, as discussed below.

As discussed in the March 14, 2003, memorandum from the team to the file entitled "Corroboration of Data Contained in the Petition for Assigning an Adverse Facts Available Rate," we found that the U.S. price and factors of production information in the petition to be reasonable and of probative value. As a number of the surrogate values selected for the preliminary determination differed from those used in the petition, we compared the petition margin calculations to the calculations based on the selected surrogate values wherever possible and found they were reasonably close. Therefore, we preliminarily determine that the petition information has probative value. Accordingly, we find that the highest margin stated in the notice of initiation, 97.86 percent, is corroborated within the meaning of section 776(c) of the Act. For further discussion, see the March 14, 2003, memorandum to the file from the team entitled "Corroboration of Data Contained in the Petition for Assigning an Adverse Facts Available Rate."

Fair Value Comparisons

To determine whether sales of PVA from the PRC were made at LTFV, we compared the EP to the NV, as described in the "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 by product to the appropriate product-specific NV.

Export Price

In accordance with section 772(a) of the Act, we based our calculations on EP for SVW because the subject merchandise was sold by the producer/exporter directly to the first unaffiliated purchaser prior to importation. We based EP on the packed FOB PRC port or CIF U.S. port prices to unaffiliated purchasers in the United States, as appropriate. We made deductions for movement expenses, in accordance with 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight (including truck, rail, and waterway), foreign brokerage and handling, ocean freight, and marine insurance. As certain of these movement services were provided by NME suppliers, we valued them using Indian or other market-economy rates. For further discussion of our use of surrogate data in an NME proceeding, as well as selection of India as the appropriate surrogate country, see the "Normal Value" section of this notice, below.

For foreign inland truck freight we used price quotes obtained by the Department from Indian truck freight companies. These price quotes were recently used in the 2000–2001 antidumping duty administrative review of persulfates from the PRC. See *Persulfates From the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review and Notice of Partial Rescission*, 67 FR 50866, 50867, 50869 (Aug. 6, 2002)⁵ (*Persulfates*).

For foreign inland rail freight, we used per kilometer price quotes published in the July 2001 *Reserve Bank of India Bulletin*. These price quotes were used in the 2001–2002 antidumping duty investigation of non-malleable cast iron pipe from the PRC and in the 2001–2002 antidumping duty administrative review of synthetic indigo from the PRC. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China*, 67 FR 60214 (Sept. 25, 2002)⁶ and *See Synthetic Indigo from the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review*, 68 FR

11371, 11372 (Mar. 10, 2003) (*Indigo from the PRC*).

For foreign inland waterway freight, we used an Indian domestic ship rate obtained in the 1999–2000 antidumping duty administrative review and used in the 2000–2001 antidumping duty administrative review of helical spring lock washers from the PRC. See *Certain Helical Spring Lock Washers From the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 67 FR 8520 and accompanying decision memorandum at Comment 5 (Feb. 25, 2002) and *Certain Helical Spring Lock Washers From the People's Republic of China; Preliminary Results of Antidumping Duty Administrative Review*, 67 FR 45702, 45704 (July 10, 2002).⁷

For foreign brokerage and handling expenses, we used brokerage and handling data obtained in the 1998–1999 antidumping duty investigation and used in the 2001–2002 antidumping duty administrative review of synthetic indigo from the PRC. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Synthetic Indigo from the People's Republic of China*, 64 FR 69723 (December 14, 1999)⁸ and *Indigo from the PRC*, 68 FR 11372.

With respect to ocean freight, SVW asserted that it used market-economy suppliers for its shipments of PVA. However, based on the submitted information, we could not establish that the ocean freight expenses SVW paid reflect prices set by market-economy carriers. Specifically, SVW's questionnaire responses indicate that ocean freight was paid to a PRC company, not a market-economy supplier. Therefore, in accordance with our practice, we valued ocean freight using a surrogate value. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Certain Non-Frozen Apple Juice Concentrate from the People's Republic of China*, 65 FR 19873 (April 13, 2000) and accompanying decision memorandum at *Comment 3*. Specifically, we valued ocean freight for SVW's CIF shipments using a price quote obtained in the 2001–2002 antidumping duty administrative review of synthetic indigo from the PRC. See *Indigo from the PRC*, 68 FR 11372.

⁵ This was unchanged in the final determination. See *Persulfates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 68 FR 6712 (Feb. 10, 2003) (*Persulfates Final*).

⁶ This was unchanged in the final determination. See *Notice of Final Determination of Sales at Less Than Fair Value: Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China*, 68 FR 7765 (Feb. 18, 2003).

⁷ This was unchanged in the final determination. See *Certain Helical Spring Lock Washers From the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 67 FR 69717 (Nov. 19, 2002).

⁸ This was unchanged in the final determination. See *Synthetic Indigo from the People's Republic of China: Notice of Final Determination of Sales at Less Than Fair Value*, 65 FR 25706 (May 3, 2000).