

We added to Indian import surrogate values a surrogate freight cost using the shorter of the reported distance from the domestic producer to the factory or the distance from the nearest seaport to the factory. This adjustment is in accordance with the Court of Appeals for the Federal Circuit's decision in *Sigma Corp. v. United States*, 117 F. 3d 1401, 1407–1408 (Fed. Cir. 1997). For those Indian rupee values not contemporaneous with the POI, we adjusted for inflation using wholesale price indices published in the International Monetary Fund's *International Financial Statistics*.

We valued raw material inputs using the weighted-average unit import values derived from the *Monthly Statistics of the Foreign Trade of India: Volume II*, July 2002 (*Indian Import Statistics*) for the time period corresponding to the POI and, where viable contemporaneous data was not available, we have used *Monthly Statistics of the Foreign Trade of India: Volume II*, December 2001 (*2001 Import Statistics*), as used in *Non-Malleable Cast Iron Pipe Fittings from the People's Republic of China: Final Determination of Sales at Less than Fair Value*, 68 FR 7765, 7767 (February 18, 2003) (*Non-Malleable Final*), inflated to 2002 levels (see Factor Valuation Memorandum). For the raw material input of one input used in the production of certain types of subject merchandise purchased by Pannext and JMC from a market economy supplier, for the reasons stated above in the "Normal Value" section, the Department is valuing these inputs using *Indian Import Statistics*.

We valued electricity using the year 2002 Electricity Prices for Industry rate as reported by the International Energy Agency (IEA) in *Key World Energy Statistics from the IEA*. The source is the same as in *Non-Malleable Final*, but it is more contemporaneous.

We valued labor using the latest regression-based wage rate for the PRC

found on Import Administration's Web page (<http://ia.ita.doc.gov/wages/>) as described in 19 C.F.R. 351.408(c)(3).

To value foreign inland truck freight costs, we relied upon per kilometer prices from *The Financial Express*, June 17, July 14, Sept. 1, and Oct. 6, 2002 (<http://www.financialexpress.com>). For JMC and Pannext we valued marine insurance based on publicly available price quotes from a marine insurance provider at <http://www.rjgconsultants.com/insurance.html>, and we used the actual costs of those services provided to the respondents by market economy suppliers. For JMC we valued brokerage and handling based on a publicly summarized version of the average value for brokerage and handling expenses reported in *Final Determination of Sales at Less than Fair Value: Certain Circular Welded Carbon-Quality Steel Pipe from the People's Republic of China*, 67 FR 36570 (May 24, 2002), and accompanying Factor Valuation Memorandum.

Because the Department did not find industry-specific data to calculate selling, general and administrative (SG&A) expenses, factory overhead, and profit, we used the "Finance of Large Public Limited Companies, 2000–01," a sample of 964 large public limited companies in India that were reported in the April 2002 Reserve Bank of India Bulletin, as previously used in the *Non-Malleable Final*.

For a complete analysis of surrogate values used in the preliminary determination, see the Factor Valuation Memorandum.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify all company information relied upon in making our final determination.

Rate for Cooperative Producers/Exporters That Were Not Selected

For those PRC producers/exporters who responded to our separate rates questionnaire but were not selected as mandatory respondents (*i.e.*, Chengde and SCE), we have calculated a weighted-average margin based on the rates calculated for those producers/exporters that were selected as mandatory respondents. See, *e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value: Freshwater Crawfish Tail Meat From the People's Republic of China*, 62 FR 41347, 41350 (August 1, 1997).

Suspension of Liquidation

In accordance with section 733(d)(2)(A) of the Act, we are directing the BCBP to suspend liquidation of all imports of subject merchandise entered, or withdrawn from warehouse, for consumption as follows: for Pannext, SLK, Myland or Chengde, we will instruct BCBP to suspend liquidation on or after the date of publication of this notice in the **Federal Register**; for JMC, SCE and companies subject to the PRC-wide rate, we will instruct BCBP to suspend liquidation on or after the date which is 90 days prior to the date of publication of this notice in the **Federal Register**, due to the Preliminary Determination of Critical Circumstances. See *Notice of Preliminary Determination of Critical Circumstances: Certain Malleable Iron Pipe Fittings from the People's Republic of China*, 68 FR 19779 (April 22, 2003). We will instruct the BCBP to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP or CEP, as indicated below. These suspension-of-liquidation instructions will remain in effect until further notice.

We determine that the following percentage weighted-average margins exist for the POI:

Manufacturer/exporter	Weighted-average margin (percent)
Jinan Meide Casting Co., Ltd	13.80
Beijing Sai Lin Ke Hardware Co., Ltd	144.43
Langfang Pannext Pipe Fitting Co., Ltd	4.96
Chengde Malleable Iron General Factory	52.50
SCE Co., Ltd	52.50
PRC-Wide Rate	146.41

The PRC-wide rate applies to all entries of the subject merchandise except for entries from JMC, SLK, Pannext, Chengde, and SCE.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination of sales at LTFV. If our final determination is affirmative, the

ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether the domestic industry in the United States is materially injured, or