

a given circumstance will not prevent the Secretary from applying an adverse inference as appropriate and using the secondary information in question." Additionally, we note that the SAA at 870 specifically states that, where "corroboration may not be practicable in a given circumstance," the Department need not "prove that the facts available are the best alternative." There are no independent sources for the cost data used to calculate the CV in the petition. Where relevant information was available from Cablesa's financial statements, that information was used in the calculation of CV.

Therefore, based on our efforts, described above, to corroborate information contained in the petition, and in accordance with 776(c) of the Act, we consider the margins in the petition to be corroborated to the extent practicable for purposes of this preliminary determination.

Accordingly, in selecting AFA with respect to Cablesa, we have applied the margin rate of 77.20 percent, which is the highest estimated dumping margin set forth in the notice of initiation. See *Initiation Notice*, 68 FR at 9053.

#### Product Comparisons

In accordance with section 771(16) of the Act, all products produced by the respondents covered by the description in the *Scope of Investigation* section, above, and sold in Mexico during the POI, are considered to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We have relied on four criteria to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product: diameter, covering/coating, grade, and type. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed above.

#### Fair Value Comparisons

To determine whether sales of PC strand from Mexico were made in the United States at LTFV, we compared the EP and the constructed export price (CEP) to the NV, as described in the *Export Price and Constructed Export Price and Normal Value* sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs and CEPs. We compared these to weighted-average home market prices in Mexico. For Camesa, we compared all U.S. and home market sales made during the POI, based on the date of issuance of Camesa's purchase orders. We

determined this to be the appropriate date of sale because the quantity and price of the sales did not change after the date of the purchase order.

#### Export Price and Constructed Export Price

For the price to the United States, we used, as appropriate, EP or CEP, as defined in sections 772(a) and 772(b) of the Act, respectively. Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold before the date of importation by the producer or exporter outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection 772(c) of the Act.

Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections 772(c) and (d) of the Act.

For Camesa, we calculated EP and CEP, as appropriate, based on the packed prices charged to the first unaffiliated customer in the United States. We found that Camesa made EP sales during the POI. These sales are properly classified as EP sales because they were made outside the United States by the exporter or producer to unaffiliated customers in the United States prior to the date of importation. We note that Camesa's affiliated reseller in the United States provided certain administrative services pertaining to the reported EP sales. However, our analysis of sales documents in the questionnaire response, indicated that these services were minor and that the invoicing was done by Camesa and payment was made to Camesa. Therefore, since CEP was not otherwise warranted based on the facts on the record, we have preliminarily concluded that the sales were, in fact, EP. We will continue to analyze these sales and this issue for the final determination.

We also found that Camesa made CEP sales during the POI. These sales are properly classified as CEP sales because they were made for the account of Camesa, by a seller affiliated with Camesa, to an unaffiliated purchaser in the United States.

In accordance with section 772(c)(2) of the Act, for both EP and CEP sales we made deductions from the starting price for movement expenses and export taxes and duties, where appropriate. These

included inland freight, insurance expenses, brokerage and handling fees, and customs duties. Section 772(d)(1) of the Act provides for additional adjustments to calculate CEP.

Accordingly, where appropriate, we deducted direct and indirect selling expenses related to commercial activity in the United States. Pursuant to section 772(d)(3) of the Act, where applicable, we made an adjustment for CEP profit.

Regarding CEP profit and deductions from the starting price, we recalculated the indirect selling expenses incurred by Camesa's U.S. affiliate, based on the affiliate's 2002 income statement. See Memorandum from Jim Kemp, Import Compliance Specialist, to Constance Handley, Program Manager, Re: Analysis Memorandum for Aceros Camesa S.A. de C.V., dated July 10, 2003.

#### Normal Value

##### A. Selection of Comparison Markets

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities (or value, if quantity is inappropriate), that the time of the sales reasonably corresponds to the time of the sale used to determine EP or CEP, and that there is no particular market situation that prevents a proper comparison with the EP or CEP. The statute contemplates that quantities (or value) will normally be considered insufficient if they are less than five percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States.

We found that Camesa had a viable home market for PC strand. As such, Camesa submitted home market sales data for purposes of the calculation of NV.

In deriving NV, we made adjustments as detailed in the *Calculation of Normal Value Based on Home Market Prices* section, below.

##### B. Cost of Production Analysis

Based on allegations contained in the petition, and in accordance with section 773(b)(2)(A)(i) of the Act, we found reasonable grounds to believe or suspect that PC strand sales were made in Mexico at prices below the cost of production (COP). See *Initiation Notice*, 68 FR 9050. As a result, the Department has conducted an investigation to determine whether Camesa made home market sales at prices below their respective COPs during the POI within the meaning of section 773(b) of the Act.