

information placed on the record. See also 19 CFR 351.308(c); SAA at 829–831. In this case, because we are unable to calculate margins for any of the respondents in this investigation, we assign to Kiswire and Dong-Il the highest margin from the proceeding, which is the highest margin alleged for Korea in the petition, as recalculated in the initiation and described in detail below. See *Initiation Notice*, 68 FR at 9052–53.

When using facts otherwise available, section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) in using facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. The SAA clarifies that “corroborate” means that the Department will satisfy itself that the secondary information to be used has probative value. See SAA at 870. The Department’s regulations state that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. See 19 CFR 351.308(d); see also SAA at 870.

To assess the reliability of the petition margin for the purposes of this investigation, to the extent appropriate information was available, we reviewed the adequacy and accuracy of the information in the petition for both this preliminary determination and during our pre-initiation analysis. See Office of AD/CVD Enforcement Initiation Checklist, at 15 (February 20, 2003) (Initiation Checklist). Also, as discussed below, we examined evidence supporting the calculations in the petition to determine the probative value of the margins in the petition for use as AFA for purposes of this preliminary determination. In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the export price (EP) and normal value (NV) calculations on which the margins in the petition were based. See Memorandum from Christopher C. Welty, International Trade Compliance Analyst, to Gary Taverman, Director Office 5, Re: Corroboration of Data Contained in the Petition for Assigning Facts Available Rates (Corroboration Memo), dated July 10, 2003.

#### 1. Corroboration of Export Price

The petitioners based EP on prices within the POI for sales of PC strand produced by two Korean companies and

offered for sale to an unaffiliated U.S. customer. The petitioners averaged the gross prices, by company, and deducted from the average prices international freight and insurance expenses, U.S. customs duties, U.S. harbor maintenance and merchandise processing fees, and the U.S. inland freight expenses.

We compared the U.S. market price quotes with official U.S. import statistics and U.S. customs data, and found the prices used by the petitioners to be reliable. See Corroboration Memo at 2.

#### 2. Corroboration of Normal Value

With respect to NV, the petitioners provided home market prices based on prices within the POI for sales of PC strand produced by two Korean companies and offered for sale to an unaffiliated customer in Korea. The price quotes are based on information gathered by a market researcher familiar with the Korean sales. See Memorandum to the File Re: Telephone Conversation with Market Researcher Regarding the Petitions for Imposition of Antidumping Duties: Prestressed Concrete Steel Wire Strand from Korea (February 11, 2003). To calculate the NV, the petitioners deducted inland freight from the home market prices and, consistent with our statutory EP circumstances-of-sale calculation methodology, adjusted the home market prices for imputed credit and commissions by deducting home market credit expenses from the home market prices and adding the U.S. imputed credit and U.S. commission expenses to these prices.

The petitioners also provided information demonstrating reasonable grounds to believe or suspect that sales of PC strand in the home market were made at prices below the fully absorbed cost of production (COP), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (COM), selling, general, and administrative (SG&A) expenses, financial expenses, and packing expenses. The petitioners calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce PC strand products in the United States and Korea using publicly available data. To calculate SG&A and interest expenses, the petitioners relied upon amounts reported in the 2001 financial statements of Kiswire and Dong-Il. Based upon a comparison of the

price of the foreign like product in the home market to the calculated COP of the product, we found reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department initiated a country-wide cost investigation. For initiation purposes and for the purposes of this preliminary determination, we recalculated the labor and electricity costs by first indexing the costs in the foreign denominated currency and then converting the costs to U.S. dollars based on the prevailing exchange rate for the comparison period. In addition, we adjusted the petitioners’ COP and constructed value (CV) calculations to be based on the currency rates from the Import Administration website rather than on Federal Reserve Bank currency rates. See Initiation Checklist at 16 and Attachments II and III.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners based NV for sales in Korea on CV. The petitioners calculated CV using the same COM, SG&A and interest expense figures used to compute the Korean home market costs. Consistent with 773(e)(2) of the Act, the petitioners included in CV an amount for profit. The petitioners based Kiswire’s profit ratio on amounts reported in Kiswire’s 2001 financial statements. For Dong-Il, no profit margin was calculated because the company was not profitable in either 2001 or 2000.

The Department was provided with no useful information by the respondents or other interested parties and is aware of no other independent source of information that would enable it to further corroborate the margin calculations in the petition. Specifically, we attempted to locate both home market prices through publicly available sources and U.S. producer costs upon which the CV was based, but we were unable to do so. See Corroboration Memo at 3 and 4.

The implementing regulation for section 776 of the Act, at 19 CFR 351.308(d) states, “the fact that corroboration may not be practicable in 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.”

Therefore, based on our efforts, described above, to corroborate information contained in the petition,