

People's Republic of China, 67 FR 71137, 71138 (Nov. 29, 2002); and *Notice of 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, 36571 (May 24, 2002). An NME country designation remains in effect until it is revoked by the Department. See section 771(18)(C) of the Act. The respondent in this investigation has not requested revocation of the PRC's NME status. Therefore, we have continued to treat the PRC as an NME country in this investigation. For further details, see the *Preliminary Determination*.

Separate Rates

In our *Preliminary Determination*, we found that Qingdao Red Star met the criteria for the application of a separate, company-specific antidumping duty rate. We have not received any other information since the preliminary determination which would warrant reconsideration of our separate rates determination with respect to this company. For a complete discussion of the Department's determination that the respondent is entitled to a separate rate, see the *Preliminary Determination*.

The PRC-Wide Rate

In the preliminary determination, we found that the use of the PRC-wide rate was appropriate for other exporters in the PRC based on our presumption that those respondents who failed to demonstrate entitlement to a separate rate constitute a single enterprise under common control by the Chinese government. We applied facts otherwise available in calculating the PRC-wide rate because no other Chinese producer or exporter responded to our requests for information. We found that the failure of parties to issue to respond significantly impedes this proceeding because the Department cannot accurately determine a margin for these parties and causes the Department to find that these parties failed to cooperate by not acting to the best of their ability to comply with a request for information. Therefore, in applying facts otherwise available for the calculation of the PRC-rate, pursuant to section 776(b) of the Act we have used "information that is adverse to the interests of that party as facts otherwise available." Adverse inferences are appropriate "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." See *Statement of Administrative Action (SAA) accompanying the URAA*, H.R. Doc. No. 103-316, at 870 (1994). The PRC-wide

rate applies to all entries of the merchandise under investigation except for entries from Qingdao Red Star.

When analyzing the petition for purposes of the initiation, the Department reviewed all of the data upon which the petitioners relied in calculating the estimated dumping margin and determined that the margin in the petition was appropriately calculated and supported by adequate evidence in accordance with the statutory requirements for initiation. In order to corroborate the petition margin for purposes of using it as adverse facts available, we examined the price and cost information provided in the petition in the context of our preliminary determination. For further details, see Memorandum to Gary Taverman, Director, Office 5, from David Layton, Tisha Loeper-Viti and Kristina Boughton, Case Analysts, Re: Corroboration of Secondary Information, dated March 10, 2003, (Corroboration Memorandum). We received no comments on this decision and continue to find in this final determination that the rate contained in the petition, as recalculated, has probative value. With one adjustment for a clerical error, and additional adjustments to the petition information noted below, we have continued to apply this rate in the final determination. For further discussion, see the *Preliminary Determination*.

Since the preliminary determination, we have obtained new information regarding several surrogate values and factors applied in Chinese production. In order to take into account the more recent information, we recalculated the petition margin using, where possible, revised surrogate values and revised factors to value the petitioner's consumption rates. As a result of this recalculation, the PRC-wide rate is, for the final determination, 81.30 percent. See Corroboration Memorandum, and Memorandum to Gary Taverman, Director, Office 5, from David Layton, Case Analyst, Re: Recalculated PRC-Wide Rate, dated July 30, 2003, (Final PRC-Wide Rate Memo).

Surrogate Country

For purposes of the final determination, we continue to find that India remains the appropriate primary surrogate country for the PRC. For further discussion and analysis regarding the surrogate country selection for the PRC, see the *Preliminary Determination*. Consistent with the preliminary determination, where we were unable to value factor inputs using surrogate values in India, we have relied on Indonesia as the secondary surrogate country.

Verification

As provided in section 782(i) of the Act, we verified the information submitted by the respondents for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondents. For changes from the *Preliminary Determination* as a result of verification, see the *Changes Since the Preliminary Determination* section, below. See also Memorandum from Scott Lindsay and Kristina Boughton, International Trade Compliance Analysts to Gary Taverman, Office Director: Verification of Sales and Factors of Production Data Submitted by Qingdao Red Star Chemical Import & Export Co., Ltd., dated July 11, 2003.

Changes Since the Preliminary Determination

Based on our findings at verification and on our analysis of the comments received, we have made the following adjustments to the calculation methodologies used in the preliminary determination. These adjustments are discussed in detail in the Issues and Decision Memorandum and in the Memorandum to Gary Taverman, Director, Office 5, from Tisha Loeper-Viti, International Trade Compliance Analyst, Re: Factors of Production Valuation for Final Determination, dated July 30, 2003, (Factors of Production Memorandum).

1. We have valued carbon dioxide as a direct input of Qingdao Red Star's barium carbonate production, instead of the upstream inputs used in Qingdao Red Star's self-produced carbon dioxide. See Issues and Decision Memorandum at Comment 3.

2. We valued an additional raw material input that was not valued in the preliminary determination. See *id.* at Comment 4.

3. We valued the financial ratios on the basis of a single Indian producer of barium carbonate for a fiscal year more contemporaneous with the POI. See *id.* at Comment 6.

4. We used recalculated consumption ratios for all factors based on the total production of barium carbonate during the POI including "off-grade" barium carbonate. See *id.* at Comment 5.

5. We updated the valuation of rail freight charges using a different source for rail rates. See *id.* at Comment 7.

6. We updated the valuation of truck freight rates. See *id.* at Comment 8.

7. We deducted from U.S. price an amount for brokerage and handling charges. See *id.* at Comment 9.