

### Export Price

With respect to the margins in the petition, EP was based on POI price quotes for the sale of fully-hydrolyzed PVA produced by DC CHEM to customers in the United States. The petitioners calculated net U.S. prices for PVA by deducting certain movement charges and a distributor mark-up, where applicable.

We corroborated the U.S. prices from the petition by comparing them to prices of comparable products reported by DC CHEM. We found that the petitioners' price quotes were comparable to the price information submitted by DC CHEM. Therefore, we find that the petitioners' information for U.S. price has probative value. For further discussion, see the Corroboration Memo.

### Normal Value

The petitioners based NV on a home-market price quote from DC CHEM for fully-hydrolyzed PVA of a comparable grade to the products exported to the United States during the POI. This price quote was contemporaneous with the U.S. price quotes used as the basis for EP. We corroborated the home-market price from the petition by comparing it to prices of comparable products sold by DC CHEM. We found that the petitioners' price quote was comparable to the price information submitted by DC CHEM. Therefore, we find that the petitioners' information for home-market price has probative value. See the Corroboration Memo.

In addition, the petitioners alleged that sales of PVA 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. Based upon a comparison of the prices 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. See *Notice of Initiation of Antidumping Duty Investigations: Polyvinyl Alcohol From Germany, Japan, the People's Republic of China, the Republic of Korea, and Singapore*, 67 FR 61591, 61594 (October 1, 2002) (*Initiation Notice*). Accordingly, the Department initiated a country-wide cost investigation. Pursuant to section 773(b)(3) of the Act, COP consisted of the cost of manufacture (COM), selling, general and administrative (SG&A) expenses, and packing expenses. The

petitioners calculated COP based on their own production experience, adjusted for known differences between costs incurred to manufacture PVA in the United States and Korea. We corroborated the COP from the petition by comparing it to the COP of comparable products sold by DC CHEM. We found that the petitioners' calculated COP was comparable to DC CHEM's COP. Therefore, we find that the petitioners' calculated COP has probative value. See the Corroboration Memo.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners based NV for sales in Korea on constructed value (CV). The petitioners calculated CV using the same COM, SG&A, and financial expense figures they used to compute the COP. Consistent with section 773(e)(2) of the Act, the petitioners included in CV an amount for profit based on DC CHEM's 2001 financial statements. The petitioners' calculation of profit was based on operating profit rather than the net income of the producer. Therefore, we recalculated the CV profit rate to include non-operating items. Because this calculation resulted in a loss, we used a profit rate of zero for purposes of initiation.

For purposes of the AFA rate we have calculated for this final determination, however, we do not believe it is appropriate to exclude profit from the margin calculations because to do so would not be an adverse inference. Consequently, we have revised our calculation of the profit rate to use a rate derived from the publicly available 2001 financial statements of another Korean petrochemical company, LG Petrochemical. For further discussion, see the *Decision Memo* at Comment 1.

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 notice of initiation, as adjusted, to be corroborated to the extent practicable for purposes of this final determination. See the Corroboration Memo.

Accordingly, in selecting AFA with respect to DC CHEM, we have applied the margin rate of 38.74 percent, which is the highest estimated dumping margin submitted in the petition, used in the notice of initiation, and subsequently adjusted as explained above. See the *Initiation Notice*, 67 FR at 61593, and the *Decision Memo* at Comment 1.

### All Others

Section 735(c)(5)(B) of the Act provides that, where the estimated

weighted-average dumping margins established for all exporters and producers individually investigated are zero or *de minimis* or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated "All Others" rate for exporters and producers not individually investigated. This provision contemplates that we weight-average margins other than zero, *de minimis*, and FA margins to establish the "All Others" rate. Where the data do not permit weight-averaging such rates, the SAA provides that we may use other reasonable methods. See the SAA at 873. Because the petition contained two estimated dumping margins, we have used these two estimated dumping margins, as adjusted for the notices of initiation and final determination, to create an "All Others" rate based on a simple average. Therefore, we have calculated the margin of 32.08 percent as the "All Others" rate. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value and Final Affirmative Finding of Critical Circumstances: Elastic Rubber Tape from India*, 64 FR 19123, 19124 (April 19, 1999).

### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the U.S. Bureau of Customs and Border Protection (BCBP) to continue to suspend all entries of PVA from Korea that are entered, or withdrawn from warehouse, for consumption on or after March 20, 2003, the date of publication of the preliminary determination. The BCBP shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. These instructions suspending liquidation will remain in effect until further notice.

The dumping margins are provided below:

Manufacturer/exporter	Margin (percent)
DC Chemical Company, Ltd .....	38.74
All Others .....	32.08

### ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material