

market prices less any applicable movement charges and selling expense.

3. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where 20 percent or more of the respondent's sales of a given product during the six-month period surrounding the U.S. sales were at prices less than the COP, in accordance with sections 773(b)(2)(B) and (C) of the Act, we disregarded the below-cost sales because we determined that the below-cost sales were made within an extended period of time in "substantial quantities." In such cases, we also determined that such sales were not made at prices that would permit recovery of all costs within a reasonable period of time in accordance with section 773(b)(2)(D) of the Act. Based on this test, we disregarded below-cost sales in our analysis.

D. Calculation of NV based on CV

Because we were unable to find a home-market sale made in the ordinary course of trade for a comparison to EP, in accordance with section 773(a)(4) of the Act, we based NV on CV. We calculated CV based on SIBRA/CPFL's cost of materials, fabrication employed in producing the subject merchandise, and SG&A, including interest expenses and profit. We calculated the COP component of CV as noted above in the "Calculation of COP" section of this notice. In accordance with section 773(e)(2)(B)(iii) of the Act, we calculated CV profit using the information contained in the 2002 financial statements of Maringa S.A. Cimento e Ferro-Liga, another Brazilian producer of silicomanganese. See Calculation Memo. For selling expenses, we used the actual weighted-average home market direct and indirect selling expenses. We made the same adjustments to CV as described in the COP section above.

During the POR, SIBRA/CPFL did not recover all of the ICMS/IPI taxes that it paid on material purchases through its home-market sales. We therefore calculated a weighted-average per-unit ICMS/IPI tax cost for unrecovered taxes paid during the POR. Section 773(e) of the Act states, "the cost of materials shall be determined without regard to any internal tax in the exporting country imposed on such materials or their disposition which are remitted or refunded upon exportation of the subject merchandise produced from such materials." We verified that the Brazilian government gave SIBRA/CPFL a credit for the amount of PIS/COFINS taxes paid on inputs used to produce exported merchandise. Additionally, indicates that SIBRA/CPFL was able to

use the entire amount of its PIS/COFINS credit due to the high volume of home-market sales in the month subsequent to the month of the U.S. sales. In accordance with the Act, we therefore calculated a weighted-average per-unit PIS/COFINS export rebate and deducted the amount of this rebate from CV. See Calculation Memo.

Currency Conversions

Because this proceeding involves a high-inflation economy, we limited our comparison of U.S. and home-market sales to those occurring in the same month and only used daily exchange rates.

The Department's preferred source for daily exchange rates is the Federal Reserve Bank. However, the Federal Reserve Bank does not track or publish exchange rates for the Brazilian Real. Therefore, we made currency conversions based on the daily exchange rates from Factiva, a Dow Jones & Reuters Retrieval Service.

Preliminary Results of Review

As a result of our review, we preliminarily determine that a margin of 2.12 percent exists for SIBRA/CPFL/Urucum for the period December 1, 2001, through November 30, 2002. Pursuant to 19 CFR 351.224(b), the Department will disclose to parties calculations performed in connection with these preliminary results within five days of the date of publication of this notice. Any interested party may request a hearing within 30 days of publication of this notice. A hearing, if requested, will be held at the main Commerce Department building three business days after submission of rebuttal briefs.

Issues raised in hearings will be limited to those raised in the respective case and rebuttal briefs. Case briefs from interested parties may be filed no later than 30 days after publication of this notice. Rebuttal briefs, limited to the issues raised in case briefs, may be submitted no later than five days after the deadline for filing case briefs. Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue, and (2) a brief summary of the argument with an electronic version included.

The Department will publish a notice of final results of this administrative review, which will include the results of its analysis of issues raised in any such comments or at a hearing, within 120 days from the publication of these preliminary results.

The Department shall determine, and Customs and Border Protection ("CBP")

shall assess, antidumping duties on all appropriate entries. Upon completion of this review, the Department will issue appraisal instructions directly to the CBP.

Furthermore, the following deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of silicomanganese from Brazil entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate established in the final results of this review; (2) for merchandise exported by producers or exporters not covered in this review but covered in the original less-than-fair-value ("LTFV") investigation, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the producer or exporter received an individual rate; (3) if the exporter is not a firm covered in this review, or the original LTFV investigation, but the producer is, the cash deposit rate will be the rate established for the most recent period for the producer of the merchandise; and (4) if neither the exporter nor the producer is a firm covered in this or any previous review, the cash deposit rate shall be 17.60 percent, the all-others rate established in the LTFV investigation. See *Notice of Final Determination of Sales at Less than Fair Value: Silicomanganese from Brazil*, 59 FR 55432 (November 7, 1994). These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: October 17, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

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