

SUMMARY: We preliminarily find that helical spring lock washers from the People's Republic of China were being sold in the United States below normal value by the Hangzhou Spring Washer Co., Ltd. (also known as Zhejiang Wanxin Group, Ltd. (ZWG)) (collectively, Hangzhou) during the period October 1, 2001 through September 30, 2002. We have also preliminarily determined not to revoke the antidumping duty order on the subject merchandise with respect to this company. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: November 7, 2003.

FOR FURTHER INFORMATION CONTACT: Ryan Langan and Audrey Twyman, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-2613 or (202) 482-3534.

Background

On October 19, 1993, the Department published the antidumping duty order on certain helical spring lock washers (HSLWs) from the People's Republic of China (PRC) (58 FR 53914), as amended on November 23, 1993 (58 FR 61859). The Department notified interested parties of the opportunity to request an administrative review of this order on October 2, 2002 (67 FR 61849). The petitioner, Shakeproof Assembly Components Division of Illinois Tool Works, Inc. (Shakeproof), requested that the Department conduct an administrative review of Hangzhou on October 22, 2002. Hangzhou requested an administrative review and revocation of the antidumping duty order with respect to itself on October 31, 2002. The notice of initiation of this administrative review was published on November 22, 2002 (67 FR 70402).

On January 21 and 22, 2003, Hangzhou responded to the Department's December 5, 2002 questionnaire. Next, on February 4, 2003, the Department provided parties with an opportunity to submit information regarding appropriate surrogate values. On February 28, 2003, Hangzhou submitted surrogate value comments. The petitioner submitted factual information, including surrogate value comments, on March 20, 2003. The Department received petitioner's comments on Hangzhou's questionnaire responses on March 14, 2003, and its additional deficiency comments and verification comments on March 26, 2003.

The Department issued its first supplemental questionnaire to Hangzhou on March 31, 2003, and received Hangzhou's responses on April 11 and 15, 2003. On April 22, 2003, Hangzhou submitted additional information about its platers. Shakeproof submitted its second and third sets of deficiency comments on April 29 and May 15, 2003, respectively.

On June 4, 2003, the Department published *Certain Helical Spring Lock Washers from the People's Republic of China: Notice of Extension of Time Limit for the Preliminary Results of the Ninth Antidumping Administrative Review*, 68 FR 33472. The petitioner filed pre-preliminary determination comments on June 20, 2003. On August 12, 2003, the Department issued its second supplemental questionnaire. Hangzhou submitted its response to that questionnaire on August 27, 2003.

The Department verified Hangzhou's questionnaire response on September 1 through 4, 2003, in Xiaoshan City, Xinjie Town, People's Republic of China (PRC). Hangzhou submitted its pre-verification corrections on September 9, 2003, and new databases on October 17, 2003. The Department issued its verification report on October 23, 2003.

Scope of the Order

The products covered by the order are HSLWs of carbon steel, of carbon alloy steel, or of stainless steel, heat-treated or non-heat-treated, plated or non-plated, with ends that are off-line. HSLWs are designed to: (1) Function as a spring to compensate for developed looseness between the component parts of a fastened assembly; (2) distribute the load over a larger area for screws or bolts; and, (3) provide a hardened bearing surface. The scope does not include internal or external tooth washers, nor does it include spring lock washers made of other metals, such as copper.

HSLWs subject to the order are currently classifiable under subheading 7318.21.0030 of the *Harmonized Tariff Schedule of the United States (HTSUS)*. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Period of Review

This review covers the period October 1, 2001, through September 30, 2002.

Separate Rates Determination

To establish whether a company operating in a state-controlled economy is sufficiently independent to be entitled to a separate rate, the Department analyzes each exporting

entity under the test established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*), as amplified by the *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*). Under this policy, exporters in non-market economy countries (NMEs) are entitled to separate, company-specific margins when they can demonstrate an absence of government control, both in law and in fact, with respect to export activities. Evidence supporting, though not requiring, a finding of *de jure* absence of government control over export activities includes: (1) An absence of restrictive stipulations associated with the individual exporter's business and export licenses; (2) any legislative enactments decentralizing control of companies; and, (3) any other formal measures by the government decentralizing control of companies. *De facto* absence of government control over exports is based on four factors: (1) Whether each exporter sets its own export prices independently of the government and without the approval of a government authority; (2) whether each exporter retains the proceeds from its sales and makes independent decisions regarding the disposition of profits or the financing of losses; (3) whether each exporter has the authority to negotiate and sign contracts and other agreements; and, (4) whether each exporter has autonomy from the government regarding the selection of management. (See *Silicon Carbide*, 59 FR at 22587 and *Sparklers*, 56 FR at 20589.)

In each of the previous administrative reviews of the antidumping duty order on HSLWs from the PRC, covering successive review periods from October 1, 1993, through September 30, 2001, we determined that Hangzhou and its predecessor, ZWG, merited separate rates. We found, in each review, an absence of government control, both in law and in fact, with respect to Hangzhou's export activities according to the criteria identified in *Sparklers*, and an absence of government control with respect to the additional criteria identified in *Silicon Carbide*. During this period of review (POR), we have no evidence of any change in either the *Sparklers* or *Silicon Carbide* criteria. Therefore, we have assigned Hangzhou a separate rate.

Verification

Pursuant to section 782(i) of the Tariff Act of 1930, as amended ("the Act"), we