

October 1, 2002, through March 31, 2003.

Scope of Investigation

For purposes of this investigation, the term "certain color television receivers" includes complete and incomplete direct-view or projection-type cathode-ray tube color television receivers, with a video display diagonal exceeding 52 centimeters, whether or not combined with video recording or reproducing apparatus, which are capable of receiving a broadcast television signal and producing a video image. Specifically excluded from this investigation are computer monitors or other video display devices that are not capable of receiving a broadcast television signal.

The color television receivers subject to this investigation are currently classifiable under subheadings 8528.12.2800, 8528.12.3250, 8528.12.3290, 8528.12.4000, 8528.12.5600, 8528.12.3600, 8528.12.4400, 8528.12.4800, and 8528.12.5200 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 the merchandise under investigation is dispositive.

Scope Comments

In accordance with the preamble to our regulations (*see Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997)), we set aside a period of time for parties to raise issues regarding product coverage and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice* (*see* 68 FR at 32013). Interested parties submitted such comments by June 18, 2003.

Pursuant to the Department's solicitation of scope comments in the *Initiation Notice*, XOCECO requested that HDTVs be excluded from the scope of this investigation because: (1) These CTVs are produced by the petitioners only in limited amounts; and (2) they differ from the CTVs covered by the scope of the investigation in terms of physical characteristics, ultimate uses, purchaser expectations, channels of trade, and the manner of advertising and display. On July 31, 2003, the petitioners opposed this request.

After considering the respondent's comments and the petitioners' objections to XOCECO's request regarding HDTVs, we find that the CTVs in question fall within the scope of this investigation. All CTVs, including the CTVs in question, have the same

fundamental characteristics—that is they are capable of receiving a broadcast signal and displaying a video image. Therefore, we conclude that all CTVs, including HDTVs, are appropriately included in the scope of this investigation, and constitute a single class or kind of merchandise. For a further discussion, see the November 21, 2003, memorandum to Louis Apple, Director, Office 2 from the team entitled "Scope Exclusion Request."

Respondent Selection

In June 2003, the Department designated the PRC government as the mandatory respondent in this case and issued it the questionnaire for distribution to appropriate parties. The Department also sent courtesy copies of the questionnaire to PRC companies which the Department identified as exporters/producers of subject merchandise.

In July 2003, we received section A responses from 12 producers/exporters of CTVs in the PRC. Each of these exporters requested to be selected as a respondent in this case and requested a separate rate. In addition, we received information from two additional companies issued a questionnaire indicating that they did not export CTVs to the United States during the POI. We did not receive responses from the remaining companies who were sent courtesy copies of the questionnaire.

On July 22, 2003, the Department determined that it did not have the resources to investigate all producers/exporters of the subject merchandise requesting a separate rate. Rather, we found that it was practicable to examine a maximum of four producers/exporters. Therefore, we selected as mandatory respondents in this case the four companies with the largest export volumes during the POI (*i.e.*, Changhong, Konka, TCL, and XOCECO). For further discussion, see the Respondent Selection memo.

Nonmarket Economy Country Status

The Department has treated the PRC as an NME country in all past antidumping investigations. *See, e.g., Final Determination of Sales at Less Than Fair Value and Critical Circumstances: Certain Malleable Iron Pipe Fittings From the People's Republic of China*, 68 FR 61395, 61396 (Oct. 28, 2003). A designation as an NME remains in effect until it is revoked by the Department. *See* section 771(18)(C) of the Act.

When the Department is investigating imports from an NME country, section 773(c)(1) of the Act directs us to base normal value (NV) on the NME

producer's factors of production, valued in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the "Normal Value" section of the notice, below.

No party in this investigation has requested a revocation of the PRC's NME status. We have, therefore, preliminarily continued to treat the PRC as an NME.

Market Oriented Industry

On July 15, 2003, Changhong requested that the Department make a determination that the CTV industry in the PRC is an MOI. Changhong submitted certain company-specific data in support of its request. On July 21, 2003, the petitioners submitted a letter in which they opposed Changhong's claim that the CTVs industry is market-oriented. Specifically, the petitioners stated that Changhong has not provided evidence to support its claim that the majority of its material inputs are valued at market prices. The petitioners also stated that Changhong has not provided evidence to rebut allegations that the PRC government regulates prices in the CTV industry, and that CTV producers in the PRC have been assisted by direct government involvement in financing, advertising, labor, utilities, currency exchange, and government ownership of CTV-producing companies.

Also on July 21, 2003, the Department notified Changhong that its MOI claim must be made on behalf of the CTV industry as a whole, rather than on behalf of a specific exporter. On August 12, 2003, Changhong, Konka, Philips, TCL, and XOCECO submitted additional information related to the claim that the CTVs industry in the PRC is market-oriented. On August 22, 2003, the petitioners responded to this submission. In their August 22, 2003, submission, the petitioners stated that the respondents' August 12, 2003, submission did not provide data on substantially all of the CTV industry in the PRC and that the respondents did not adequately address the allegations contained in the petitioners' July 21, 2003, submission, *i.e.*, that non-market economy forces in the PRC have a significant impact on the CTV industry and distort the true cost of production.

On September 5 and September 9, 2003, Skyworth and Haier, respectively, submitted company-specific information to support the MOI claim made in this case.

On September 15, 2003, we notified Changhong, Konka, Philips, TCL, and XOCECO that their MOI claim did not