

Fair Value: Pure Magnesium From the Russian Federation, 66 FR 21319, 21322–23 (Apr. 30, 2001).

We based EP on the packed FOB PRC prices to unaffiliated purchasers in the United States. We made deductions for movement expenses, in accordance with 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight and foreign brokerage and handling. As certain of these movement services were provided by NME suppliers, we valued them using Indian rates. For further discussion of these values, see the “Normal Value” section of this notice, below.

D. XOCECO

For XOCECO, we used CEP methodology in accordance with section 772(b) of the Act, because sales to the first unaffiliated purchaser in the United States took place after importation. We calculated CEP based on ex-warehouse or delivered prices to unaffiliated purchasers in the United States. We made deductions for movement expenses, in accordance with 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight, foreign brokerage and handling, ocean freight, marine insurance, U.S. inland freight, U.S. warehousing, other U.S. transportation expenses, U.S. customs brokerage fees and duties in accordance with section 772(c)(2)(A) of the Act. For freight services provided by market-economy companies and paid for in a market currency, we used the actual prices which XOCECO paid to the freight supplier in our CEP calculation. Where these movement services were provided by NME suppliers, we valued them using Indian rates.

Regarding U.S. warehousing and other U.S. transportation expenses, XOCECO attempted to respond to our requests for information but failed to properly include this information in its sales database. Because XOCECO was only partially responsive, we have not relied on its control-number-specific U.S. warehousing and other U.S. transportation expenses, and instead have based the amount of these expenses on FA, pursuant to section 776(a)(2)(A) of the Act. In selecting among the facts otherwise available, we applied the average of the reported model-specific warehouse and other transportation expenses for every transaction during the POI.

We made additional deductions from CEP for credit expenses, warranty expenses, and U.S. indirect selling expenses, including U.S. inventory carrying costs and other indirect selling expenses, in accordance with section

772(d)(1) of the Act. Regarding warranty expenses, XOCECO twice failed to provide requested documentation substantiating the breakdown of warranty expenses between subject and non-subject merchandise. As a result, we find that the use of FA, pursuant to section 776(a)(2)(A) of the Act, is appropriate. Furthermore, since the Department finds that XOCECO failed to cooperate by not acting to the best of its ability to comply with the request for information, an adverse inference is warranted under section 776(b) of the Act. As AFA, we applied the highest reported model-specific warranty expense for every transaction during the POI.

Pursuant to section 772(d)(3) of the Act, we further reduced the starting price by an amount for profit to arrive at CEP. We calculated the CEP profit ratio for XOCECO based on the financial data reported in the income statements of three Indian producers of CTVs, BPL Limited (BPL), Onida Saka Limited (Onida Saka), and Videocon International Limited (Videocon) for the year ended 2002.

Normal Value

A. Surrogate Country

Section 773(c)(4) of the Act requires the Department to value an NME producer's factors of production, to the extent possible, in one or more market economy countries that: (1) Are at a level of economic development comparable to that of the NME country, and (2) are significant producers of comparable merchandise. The Department has determined that India, Pakistan, Indonesia, Sri Lanka, and the Philippines are countries comparable to the PRC in terms of overall economic development. See the July 10, 2003, memorandum from Ron Lorentzen to Louis Apple entitled “Antidumping Duty Investigation of Color Television Receivers from the People's Republic of China (PRC): Request for a List of Surrogate Countries.”

According to the available information on the record, we have determined that India is a significant producer of CTVs. See the November 21, 2003, memorandum from the team to the file entitled “Preliminary Determination Factors Valuation Memorandum,” (the Factors Memorandum), on file in the CRU. For purposes of the preliminary determination, we have selected India as the surrogate country, based on the quality and contemporaneity of the currently available data. Accordingly, we have calculated NV using Indian values for the PRC producers' factors of

production. We have obtained and relied upon publicly available information wherever possible.

Factors of Production

In accordance with 19 CFR 351.408(c)(1), the Department will normally use publicly available information to value factors of production. However, the Department's regulations also provide that where a producer sources an input from a market economy and pays for it in market economy currency, the Department employs the actual price paid for the input to calculate the factors-based NV. *Id.*; see also *Lasko Metal Products v. United States*, 43 F. 3d 1442, 1445–1446 (Fed. Cir. 1994). Changhong, Konka, TCL, and XOCECO reported that some of their inputs were purchased from market economies and paid for in a market economy currency. Where respondents were unable to provide sufficient documentation that certain inputs were purchased from market-economy suppliers, we valued these inputs using surrogate values.

In accordance with section 773(c) of the Act, we calculated NV based on factors of production reported by each respondent for the POI. To calculate NV, the reported per-unit factor quantities were multiplied by publicly available Indian surrogate values. For purposes of calculating NV, we valued PRC factors of production, in accordance with section 773(c)(1) of the Act. Factors of production include, but are not limited to: (1) Hours of labor required; (2) quantities of raw materials employed; (3) amounts of energy and other utilities consumed; and (4) representative capital cost, including depreciation. In examining surrogate values, we selected, where possible, the publicly available value which was: (1) an average non-export value; (2) representative of a range of prices within the POI or most contemporaneous with the POI; (3) product-specific; and (4) tax-exclusive. For a more detailed explanation of the methodology used in calculating various surrogate values, see the Factors Memorandum.

In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices by including freight costs to make them delivered prices. We added to Indian surrogate values surrogate freight costs using the shorter of the reported distance from the domestic supplier to the factory or the distance from the nearest seaport to the factory. This adjustment is in accordance with the Court of Appeals for the Federal