

Director, Office of Policy, to Holly Kuga, Senior Office Director, AD/CVD Enforcement, dated February 28, 2002, which is in the CRU public file.

In accordance with section 773(c)(1) of the Act, for purposes of calculating NV, we attempted to value the FOP using surrogate values that were in effect during the POR. However, when we were unable to obtain surrogate values in effect during the POR, we adjusted the values, as appropriate, to account for inflation or deflation between the effective period and the POR. We calculated the inflation or deflation adjustments for all factor values, except labor, using the wholesale price indices (WPI) for India as published in the International Monetary Fund's (IMF) publication, *International Financial Statistics*. We valued the FOP as follows:

(1) We valued the following materials using available Indian import data from the publication *Monthly Statistics of the Foreign Trade of India*, Volume II--Imports (*Indian Import Statistics*) for the period January through December 2001: manganese ore, potassium hydroxide, limestone, silicon dioxide, salt, pallets, steel drums, polyethylene bags, woven plastic bags and coal.<sup>3</sup> See Memorandum from Drew Jackson to the File Regarding Surrogate Values Used for the Preliminary Results of the Administrative Review of Potassium Permanganate from the People's Republic of China (Surrogate Value Memorandum), dated January 31, 2003, which is in the CRU public file.

(2) We valued plastic drums using 2001 data found on the *Economic Times of India* website.

(3) We valued electricity using 2000–2001 data from the *Annual Report on the Working of State Electricity Boards & Electricity Departments*, published in June 2001 by the Power and Energy Division of the Planning Commission of the Government of India.

(4) We valued water using the Indian value reported in the publication *Second Water Utilities Data Book (1997)*, published by the Asian Development Bank.

(5) We valued labor using a regression-based wage rate, in accordance with 19 CFR 351.408(c)(3). This rate is identified on the Import Administration's web site under "Expected Wages of Selected NME Countries." See <http://ia.ita.doc.gov/> wages.

(6) We derived ratios for factory overhead, selling, general and

administrative (SG&A) expenses, and profit using 1992–1993 information reported in the *Reserve Bank of India Bulletin* of January 1997. There is no information on the record regarding the factory overhead, SG&A expenses, and profit for Indian producers of potassium permanganate. However, the *Reserve Bank of India Bulletin* maintains data for an Indian industry group that includes companies that process and manufacture chemicals. Therefore, we have used this source to value factory overhead, SG&A expenses, and profit for the preliminary results. Using the information from the *Reserve Bank of India Bulletin*, we were able to calculate factory overhead as a percentage of direct materials, labor, and energy expenses; SG&A expenses as a percentage of the total cost of manufacturing; and profit as a percentage of the sum of the total cost of manufacturing and SG&A expenses.

(7) We used the following sources to value ocean, truck, and rail freight services. Truck and rail freight services were incurred to transport the finished product to the port and direct materials, packing materials, and coal from the suppliers of the inputs to Groupstars:

**Truck Freight:** We valued truck freight services using the 1999 rate quotes reported by Indian freight companies and used in the less than fair value investigation of bulk aspirin from the PRC. See *Notice of Final Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China*, 65 FR 33805 (May 25, 2000).

**Rail Freight:** We valued rail freight services using July 1999–2000 rates published in the *Reserve Bank of India Bulletin* in July 2001.

**Ocean Freight:** We valued ocean freight services using the regional rates calculated in the *Final Determination of Sales at Less Than Fair Value: Brake Drums and Brake Rotors from the People's Republic of China*, 62 FR 9160 (February 28, 1997).

(8) We valued foreign brokerage and handling using the average of the foreign brokerage and handling expenses reported in the public versions of the U.S. sales listing submitted in the antidumping duty review of *Certain Stainless Steel Wire Rod from India: Final Results of the Administrative and New Shipper Review*, 64 FR 856 (January 6, 1999).

For further discussion of the surrogate values used in this review, see the Surrogate Value Memorandum.

#### Use of Partial Facts Available

Pursuant to section 776(a)(2)(D) of the Act, the Department may use facts available when an interested party

provides information but the information cannot be verified. In the instant review, Groupstars was unable to substantiate the consumption quantity reported for pallets. See PRC Verification Report. Therefore, the Department has resorted to the use of facts available with respect to this factor. Specifically, as facts available, the Department calculated the consumption quantity of pallets by dividing the total number of pallets purchased by Groupstars during the POR by the total quantity of subject merchandise exported during the POR. For further details, see the Calculation Memorandum.

#### Preliminary Results of Review

As a result of our review, we preliminarily determine that the following weighted-average percentage dumping margin exists for the period January 1, 2001 through December 31, 2001:

Exporter/Manufacturer	Margin (percent)
Groupstars Chemical Co., Ltd. ....	13.31%

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within 10 days of the date of announcement of the preliminary results. Interested parties may request a hearing within 30 days of publication of the preliminary results. See 19 CFR 351.310(c). Interested parties may submit written comments (case briefs) in accordance with 19 CFR 351.309(c)(1)(ii) and rebuttal comments (rebuttal briefs), which must be limited to issues raised in the case briefs in accordance with 19 CFR 351.309(d). Case briefs must be submitted within 30 days after the date of publication of this notice. Rebuttal briefs must be submitted within five days after the time limit for filing case briefs. Parties who submit arguments are requested to submit with the argument (1) a statement of the issue, (2) a brief summary of the argument and (3) a table of authorities. Further, the Department requests that parties submitting written comments provide the Department with a diskette containing the public version of those comments. We will issue a memorandum identifying the date of a hearing, if one is requested. The Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days of publication of the preliminary results.

<sup>3</sup> For some of the FOP, we were unable to find Indian import statistics for March 2001. We will attempt to find the March 2001 statistics for the final results of review.