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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-933]

Frontseating Service Valves from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011-2012

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on frontseating service valves from the People's Republic of China ("PRC"). The period of review ("POR") is April 1, 2011, through March 31, 2012. The review covers two exporters of subject merchandise, Zhejiang DunAn Hetian Metal Co., Ltd. ("DunAn") and Zhejiang Sanhua Co., Ltd. ("Sanhua"). The Department preliminarily finds that DunAn did not have reviewable transactions during the POR. In addition, we preliminarily determine that Sanhua made sales of subject merchandise at less than normal value during the POR.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Laurel LaCivita, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4243.

SUPPLEMENTARY INFORMATION:

Scope of the Order

The merchandise covered by this order is frontseating service valves, assembled or unassembled, complete or incomplete, and certain parts thereof of any size, configuration,

material composition or connection type.<sup>1</sup> Frontseating service valves are classified under subheading 8481.80.1095, and also have been classified under subheading 8415.90.80.85, of the Harmonized Tariff Schedule of the United States (“HTSUS”). It is possible for frontseating service valves to be manufactured out of primary materials other than copper and brass, in which case they would be classified under HTSUS subheadings 8481.80.3040, 8481.80.3090, or 8481.80.5090. In addition, if unassembled or incomplete frontseating service valves are imported, the various parts or components would be classified under HTSUS subheadings 8481.90.1000, 8481.90.3000, or 8481.90.5000. The HTSUS subheadings are provided for convenience and customs purposes, but the written description of the scope of this proceeding is dispositive.<sup>2</sup>

#### Preliminary Determination of No Shipments for DunAn

DunAn submitted a timely-filed certification indicating that it had no shipments of subject merchandise to the United States during the POR.<sup>3</sup> Consistent with its practice, the Department asked U.S. Customs and Border Protection (“CBP”) to conduct a query on potential shipments made by DunAn during the POR; CBP did not provide any evidence that contradicts DunAn’s claim of no shipments.<sup>4</sup> Further, on August 2, 2012, the Department released to interested parties the results of the CBP query that it intended to use for corroboration of

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<sup>1</sup> See Decision Memorandum for the Preliminary Results of Antidumping Duty Administrative Review issued concurrently with this notice for a complete description of the Scope of the Order.

<sup>2</sup> See *Antidumping Duty Order: Frontseating Service Valves from the People’s Republic of China*, 74 FR 19196 (April 28, 2009) (“Order”).

<sup>3</sup> See letter from DunAn, “No Shipment Letter for Zhejiang DunAn Hetian Metal Co., Ltd.: Third Annual Administrative Review of the Antidumping Duty Order on Frontseating Service Valves from the People’s Republic of China, A-570-933 (POR: 04/01/11-03/31/12),” dated July 19, 2012.

<sup>4</sup> See CBP Message Number, 2240301, dated 08/27/2012.

DunAn's no shipment claims.<sup>5</sup> The Department received no comments from interested parties concerning the results of the CBP query.

Based on DunAn's certification and our analysis of CBP information, we preliminarily determine that DunAn did not have any reviewable transactions during the POR. In addition, the Department finds that, consistent with its recently announced refinement to its assessment practice in non-market economy ("NME") cases, it is appropriate not to rescind the review in part in this circumstance, but rather to complete the review with respect to DunAn and issue appropriate instructions to CBP based on the final results of the review.<sup>6</sup>

### Methodology

The Department has conducted this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended ("the Act"). Constructed export prices have been calculated in accordance with section 772(b) of the Act. Because the PRC is a NME within the meaning of section 771(18) of the Act, normal value has been calculated in accordance with section 773(c) of the Act. Specifically, the respondents' factors of production have been valued in the Philippines (when available), which is a market economy country that is economically comparable to the PRC and is a significant producer of comparable merchandise.<sup>7</sup> To determine the appropriate comparison method, the Department applied a "differential pricing" analysis and has preliminarily determined to use the average-to average method in making comparisons of constructed export price and normal value for Sanhua.

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<sup>5</sup> See Memorandum to the File, "2011-2012 Administrative Review of Frontseating Service Valves from the People's Republic of China: U.S. Customs and Border Protection Data," dated August 2, 2012.

<sup>6</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011) and the "Assessment Rates" section, below.

<sup>7</sup> See Memorandum to Eugene Degnan, "Request for a List of Surrogate Countries for an Administrative Review of the Antidumping Duty Order on Frontseating Service Valves ("FSV") from the People's Republic of China ("China"), dated August 29, 2012 ("Surrogate Country Memorandum").

For a full description of the methodology underlying our preliminary determinations, please see “Decision Memorandum for Preliminary Results of 2011-2012 Antidumping Duty Administrative Review: Frontseating Service Valves from the People’s Republic of China,” from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Paul Piquado, Assistant Secretary for Import Administration, dated concurrent with this notice (“Preliminary Decision Memorandum”) and hereby adopted by this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Results of Review

The Department preliminarily determines that the following weighted-average dumping margin exists for the POR April 1, 2011, through March 31, 2012:

Exporter	Weighted Average Dumping Margin
Zhejiang Sanhua Co., Ltd.	9.03

Disclosure and Public Comment

The Department intends to disclose to the parties the calculations performed for these preliminary results within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit written comments no later than 30 days after

the date of publication of these preliminary results of review.<sup>8</sup> Rebuttals to written comments may be filed no later than five days after the written comments are filed.<sup>9</sup>

Any interested party may request a hearing within 30 days of publication of this notice.<sup>10</sup> Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.<sup>11</sup>

Unless otherwise extended, the Department intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

#### Deadline for Submission of Publicly Available Surrogate Value Information

In accordance with 19 CFR 351.301(c)(3)(ii), the deadline for submission of publicly available information to value factors of production under 19 CFR 351.408(c) is 20 days after the date of publication of the preliminary results. In accordance with 19 CFR 351.301(c)(1), if an interested party submits factual information less than ten days before, on, or after (if the Department has extended the deadline), the applicable deadline for submission of such factual information, an interested party may submit factual information to rebut, clarify, or correct the factual information no later than ten days after such factual information is served on the interested party. However, the Department generally will not accept in the rebuttal submission

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<sup>8</sup> See 19 CFR 351.309(c).

<sup>9</sup> See 19 CFR 351.309(d).

<sup>10</sup> See 19 CFR 351.310(c).

<sup>11</sup> See 19 CFR 351.310(d)(1).

additional or alternative surrogate value information not previously on the record, if the deadline for submission of surrogate value information has passed.<sup>12</sup> Furthermore, the Department generally will not accept business proprietary information in either the surrogate value submissions or the rebuttals thereto, as the regulation regarding the submission of surrogate values allows only for the submission of publicly available information.<sup>13</sup>

#### Assessment Rates

Upon issuance of the final results of this review, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.<sup>14</sup> The Department intends to issue appropriate assessment instructions to CBP 15 days after publication of the final results of this review.

For any individually examined respondent whose weighted-average dumping margin is above *de minimis*, we will calculate importer-specific ad valorem duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1).<sup>15</sup> For duty assessment rates calculated on this basis, we will direct CBP to assess the resulting *ad valorem* rate against the entered customs values for the subject merchandise.

The Department recently announced a refinement to its assessment practice in NME cases. Pursuant to this refinement in practice, for entries that were not reported in the U.S. sales databases submitted by companies individually examined during this review, the Department

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<sup>12</sup> See, e.g., *Glycine from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Rescission, in Part*, 72 FR 58809 (October 17, 2007), and accompanying Issues and Decision Memorandum at Comment 2.

<sup>13</sup> See 19 CFR 351.301(c)(3).

<sup>14</sup> See 19 CFR 351.212(b)(1).

<sup>15</sup> In these preliminary results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

will instruct CBP to liquidate such entries at the PRC-wide rate. In addition, if the Department determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's case number (*i.e.*, at that exporter's rate) will be liquidated at the PRC-wide rate.<sup>16</sup>

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

#### Cash Deposit Requirements

The following cash deposit requirements, when imposed, will apply to all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) for DunAn, which claimed no shipments, the cash deposit rate will remain unchanged from the rate assigned to DunAn in the most recently completed review of the company; (2) for Sanhua, which has a separate rate, the cash deposit rate will be the one established in the final results of this review (except, if the rate is zero or *de minimis*, then zero cash deposit will be required); (3) for any previously investigated or reviewed PRC and non-PRC exporter that is not under review in this segment of the proceeding but that received a separate rate in a previous segment, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (4) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of

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<sup>16</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011).

55.62 percent, which is rate assigned to the PRC-Wide Entity in the investigation;<sup>17</sup> and (5) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter(s) that supplied that non-PRC exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) 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 Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing notice of these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Import Administration

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Dated; May 2, 2013.

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<sup>17</sup> See *Frontseating Service Valves from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances*, 74 FR 10886 (March 13, 2009) (“*Final Determination*”).

## Appendix I

### List of Topics Discussed in the Preliminary Decision Memorandum

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18. [FR Doc. 2013-11194 Filed 05/10/2013 at 8:45 am; Publication Date: 05/13/2013]