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MEMORANDUM TO: Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration

FROM: John M. Andersen
Acting Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Final Results of the 2007-2008 Antidumping Duty Administrative Review: Glycine from the People's Republic of China

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Summary:

We have analyzed the case briefs and rebuttal briefs submitted by a domestic interested party, Geo Specialty Chemicals Inc. ("GSC"), and respondent, Baoding Mantong Fine Chemistry Co., Ltd. ("Baoding Mantong"), in the 2007-2008 administrative review of the antidumping duty order on glycine from the People's Republic of China ("PRC"). We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. Below is the complete list of the issues in this review for which we received comments from interested parties:

Comment 1: Surrogate Financial Ratios
Comment 2: Surrogate Value for Sulfur
Comment 3: Surrogate Value for Formaldehyde
Comment 4: Surrogate Value for Liquid Ammonia
Comment 5: Surrogate Value for Steam Coal
Comment 6: Surrogate Value for Chlorine
Comment 7: Comments on Draft U.S. Customs and Border Protection ("CBP") Instructions

Background:

The period of review ("POR") is March 1, 2007, through February 29, 2008. On April 8, 2009, we published the preliminary results of this antidumping duty administrative review. See Glycine from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, 74 FR 15930 (April 8, 2009) ("Preliminary Results"). The merchandise covered by the order is glycine, as described in the "Scope of the Order" section of the Preliminary Results. We invited parties to comment on our Preliminary Results. On April 28, 2009, GSC, a domestic interested party, and respondent, Baoding Mantong submitted additional surrogate value ("SV") information for the Department to consider for these final results. On May 8, 2009, GSC submitted comments on Baoding Mantong's April 28, 2009, SV submission and requested a hearing. On May 8, 2009, GSC and Baoding Mantong timely submitted case briefs. On May 13, 2009, GSC and Baoding Mantong timely submitted rebuttal briefs. On May 19, 2009, GSC withdrew its request for a hearing. At the request of both parties, the Department met separately with counsel for Baoding Mantong and counsel for GSC on May 28, 2009. See Memoranda to the File from Dena Crossland, Analyst, through Angelica L. Mendoza, Program Manager, Office 7, Regarding the Antidumping Duty Administrative Review of the Order on Glycine from the People's Republic of China: Meeting with Counsel for Domestic Interested Party, dated May 29, 2009; and Meeting with Counsel for Respondent, dated May 29, 2009.

Discussion of the Issues:

Comment 1: Surrogate Financial Ratios

For purposes of these final results, GSC contends that the Department should continue to use the financial reports of Divi's Laboratories Limited ("Divi") and Jupiter Bioscience Limited ("Jupiter") to calculate surrogate financial ratios. GSC claims that these data remain the only complete financial reports on the record, whereas Epic Enzymes Pharmaceuticals & Industrial Chemicals Ltd. ("Epic") and Ashok Alco-Chem Ltd. ("Ashok") financial report excerpts submitted by Baoding Mantong are incomplete and, thus, should not be used by the Department for purposes of these final results. Specifically, GSC explains that Epic's and Ashok's financial reports do not contain complete financial data with respect to: (1) excerpts from the actual fiscal year 2007-2008 financial reports of Epic and Ashok; (2) the referenced schedules, accounting policies, and notes on accounts of the balance sheet contained in the fiscal year 2007-2008 financial report excerpts; and (3) the referenced schedules of the profit and loss statement contained in the fiscal year 2007-2008 financial report excerpts. According to GSC, the Department routinely rejects financial reports missing a page or pages, an income statement or schedule, or clear product information. 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) and accompanying Issues and Decision Memorandum at Comment 1; and Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From Belarus, 66 FR 33528 (June 22, 2001) ("Steel Concrete Reinforcing Bars from Belarus") and accompanying Issues and Decision Memorandum at Comment 2. Thus, GSC asserts that the Department should disregard Epic's and Ashok's financial report excerpts because their use would be inconsistent with the Department's longstanding practice of rejecting incomplete financial reports that do not allow the Department to determine whether the companies produce comparable merchandise and whether the financial reports are contemporaneous, publicly available, complete and legible.

GSC contends that Epic and Ashok are not producers of glycine and, therefore, their financial reports should be disregarded by the Department for purposes of these final results. GSC explains that neither company makes a product that approximates the glycine production process like the finished amino acid products of Divi and Jupiter. See Additional Factual Information to Rebut, Clarify, and Correct Baoding's April 28, 2009, "Submission of Surrogate Value Information for Use in the Final Results" ("GSC's Rebuttal SV Submission"), dated May 8, 2009, at Attachment 3. Moreover, because neither Epic nor Ashok ever entered a notice of appearance in the investigation or responded to requests for information from either the International Trade Commission or the Department, GSC explains that it could not be established or confirmed whether these companies produced, exported or sold glycine or had anything to do with glycine. See GSC's Rebuttal SV Submission at Attachment 2; and see, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Glycine from India, 73 FR 16640 (March 28, 2008) ("Glycine from India"). According to GSC, Epic and Ashok received "adverse facts available" rates only because of their non-participation and, therefore, Divi's and Jupiter's financial reports are the best available information on the record because these companies produce merchandise comparable to Baoding Mantong's glycine. See Glycine from India.

Furthermore, GSC asserts that Epic's and Ashok's financial report excerpts must be disregarded because these companies were unprofitable during the fiscal year 2007-2008. See GSC's Rebuttal SV Submission at 2. GSC indicates that it is the Department's practice to reject the financial reports of unprofitable companies because the profit amount and other financial ratios are interconnected and cannot be separated. See Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results of the First Antidumping Duty Administrative Review and First New Shipper Review, 72 FR 52052 (September 12, 2007) and accompanying Issues and Decision Memorandum at Comment 2B; Notice of Final Determination of Sales at Less Than Fair Value: Silicon Metal From the Russian Federation, 68 FR 6885 (February 11, 2003) and accompanying Issues and Decision Memorandum at Comment 9. GSC further argues that Epic's and Ashok's profitable fiscal year 2006-2007 was not related to their normal operations involving production and sales. GSC claims that for Epic, its "other income" was 24.05 million Rupees ("Rs."), gross sales were Rs. 87.97 and cost of manufacture was Rs. 107.97, resulting in "profit" for fiscal year 2007 only because of the "other income." Similarly, GSC explains that for Ashok, its "other income" was Rs. 100.29, gross sales were Rs. 185.05 and cost of manufacture was Rs. 237.09, resulting in a "profit" based solely on "other income." GSC also denotes that it is unclear why Epic's "profit before tax" of Rs. 2.04, followed by a "tax" of Rs. 11.90, results in a "profit after tax" of negative Rs. 53.28, suggesting much greater losses for Epic than those represented in the summary fiscal year 2006-2007 profit and loss statement. Moreover, GSC argues that Ashok's fiscal year 2006-2007 financial report indicates recent "sick" company status for Ashok. See Notice of Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances: Certain Color Television Receivers From the People's Republic of China, 69 FR 20594 (April 16, 2004) and accompanying Issues and Decision Memorandum at Comment 14. On the contrary, GSC avers that the financial reports of Divi and Jupiter are profitable and, therefore, represent the best available information on the record by which to calculate surrogate financial ratios.

Moreover, GSC contends that the Department should reject Epic's and Ashok's financial report excerpts on the basis of their questionable validity. GSC explains that the chartered accountants that audited the financial reports Baoding Mantong submitted –V. Vaidyanathan & Co. for Epic and N.P. Patwa & Co. for Ashok – do not appear on the balance sheets and profit and loss statements Baoding Mantong submitted. GSC further explains that, instead, the stamp and signature of a representative of Scorcan & Leo, which appears to be an Indian trading company, appear on each excerpt. See GSC's Rebuttal SV Submission at Attachment 1. Due to the questionability of Epic's and Ashok's financial report excerpts, GSC asserts that the Department should calculate surrogate financial ratios based upon Divi's and Jupiter's financial reports.

GSC argues that the Department should use Divi's and Jupiter's financial reports to calculate surrogate financial ratios because: (1) they are contemporaneous with the POR, covering 11 months of the POR; (2) the production process of their finished amino acid products closely approximates the production process of Baoding Mantong's glycine; and (3) they remain the only complete financial reports on the record (include product information).

In rebuttal, Baoding Mantong claims that the Department should use the financial statements of Epic and Ashok in calculating surrogate financial ratios because these companies have been identified by GSC herein and the Department as Indian producers of glycine. See Glycine from India. Likewise, Baoding Mantong cites 19 CFR 351.408(c)(4), indicating that the Department's regulations specify that in calculating surrogate overhead, selling, general and administrative expense, and profit ratios the Department "normally will use non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country." Baoding Mantong elucidates that only in the absence of producers of identical merchandise will the Department calculate surrogate financial ratios from companies that produce comparable merchandise. See Certain Steel Threaded Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, 74 FR 8907 (February 27, 2009); 19 CFR 351.408(c)(4) (the Department "normally will use non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country"). Given the financial statements from Epic and Ashok, which manufacture glycine according to Baoding Mantong, Baoding Mantong advocates the Department to use these financial reports instead of Divi's and Jupiter's financial reports.

Baoding Mantong asserts that Epic's and Ashok's financial reports are suitable for deriving surrogate financial ratios because they were audited by Indian accountants for submission to the appropriate agency in the Indian state in which the company was domiciled. Baoding Mantong further explains that the financial reports submitted to the Department contain complete balance sheets, profit and loss statements, and cash flow statements, whereas the profit and loss statements break out incurred raw materials costs, direct labor costs, all other manufacturing expenses, depreciation, selling and administrative expenses, interest, and, profit before taxes. Baoding Mantong states that Epic's and Ashok's financial reports are complete and accurate and, thus, enables the Department to calculate all necessary surrogate financial ratios.

Moreover, Baoding Mantong advocates the Department rely upon Epic and Ashok data for fiscal year 2006-2007, the period in which these companies operated profitably. Baoding Mantong further explains that each company's report for the fiscal year 2006-2007 is contemporaneous with the proceeding POR. Specifically, Baoding Mantong indicates that for

Epic, its fiscal year was April 1, 2006 - March 31, 2007, which coincides with one month of the POR. Likewise, Baoding Mantong states that for Ashok, its fiscal year covered the 15 months period of April 1, 2006 - June 30, 2007, which coincides with four months of the POR. Thus, Baoding Mantong argues that Epic's and Ashok's financial reports are profitable and contemporaneous and, therefore, should be used by the Department to calculate surrogate financial ratios for purposes of these final results.

Baoding Mantong rejects GSC's argument that neither Epic nor Ashok manufactures glycine based on its submission from Chemical Register. See GSC's Rebuttal SV Submission at Attachment 3. Baoding Mantong explains that Ashok produces alcohol-based chemicals, and included in the list of those products are acetic acid and monochloroacetic acid. Baoding Mantong states that both of these chemicals are main inputs of glycine, and for this reason, should at least be considered as producers of comparable merchandise. See Baoding Mantong's section D questionnaire response ("DQR"), dated September 9, 2008, at Appendices D1 and D2. Additionally, Baoding Mantong contends that GSC herein specifically identified Epic and Ashok as producers of glycine in India in the context GSC's recent petition to the Department. See Glycine from India. Therefore, Baoding Mantong argues that the Department should use Epic's and Ashok's financial reports to calculate surrogate financial ratios because they are producers of identical merchandise to glycine, or at very least, producers of comparable merchandise.

Baoding Mantong further rebuts GSC's claim that Baoding Mantong only provided excerpts of Epic's and Ashok's financial reports. Baoding Mantong argues that it submitted to the Department the full annual reports that the companies were required to file with their respective Indian state governments in accordance with the Companies Act of 1956 of India. According to Baoding Mantong, this includes the directors' report, complete audited financial information covering the last five fiscal years (profit and loss statement, balance sheet, and cash flow statement), ratio analysis, recent quarterly results, and the auditor's report. Baoding Mantong also rebuts GSC's argument that the validity of Epic's and Ashok's financial reports is questionable due to the hand stamp of Scorcan & Leo and the handwritten statement "checked and verified" accompanied by the signature of a partner of that company, which appears on each page of the submitted financial information. Baoding Mantong clarifies that Scorcan & Leo is an Indian consultant that obtained the financial data on behalf of Baoding Mantong from a state registry of companies. On the other hand, Baoding Mantong claims that printed certifications of company management appear at the end of each director's report and the printed certifications of the auditor appear at the end of each auditor's report. Baoding Mantong states that Epic's and Ashok's financial reports are reliable and, hence, should be used by the Department to derive surrogate financial ratios.

Department's Position:

The Department determines that Divi's and Jupiter's financial reports for fiscal year 2007-2008 are the best available information on the record by which to calculate surrogate financial ratios. Section 773(c)(1) of the Tariff Act of 1930, as amended ("Act"), states that "the valuation of the factors of production ("FOP") shall be based on the best available information regarding the values of such factors. . . ." Additionally, 19 CFR 351.408(c)(4) states that for deriving the financial ratios, the Department "normally will use non-proprietary information gathered from producers of identical or comparable merchandise in the surrogate country."

The Department finds that Divi and Jupiter manufacture products that are more comparable to Baoding Mantong's glycine than that of Epic or Ashok. Divi produces peptide building blocks, which are listed as amino acids in Divi's website, and Jupiter produces peptide reagents and protected amino acids. See GSC's Surrogate Value Data for Valuing Baoding Mantong's Factors of Production, dated November 7, 2008. While the Department acknowledges that glycine is the "simplest amino acid," it is still an amino acid, whereas we find that neither Epic nor Ashok appear to be producers of amino acids. See Glycine From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 73 FR 55814 (September 26, 2008) and accompanying Issues and Decision Memorandum at Comment 4 ("Glycine from China 06-07"). Instead, we find that Epic manufactures agrochemicals such as insecticides and herbicides, whereas Ashok produces alcohol and alcohol-based chemicals. See GSC's Rebuttal SV Submission at Attachment 3. Therefore, while neither Divi nor Jupiter appear to produce glycine, the Department determines that their products more closely resemble Baoding Mantong's glycine than do the products of Epic or Ashok.

Additionally, regarding Baoding Mantong's argument that Epic and Ashok are identified by GSC and the Department as Indian producers of glycine, the Department finds no evidence supporting this claim because Epic and Ashok did not act to the best of their ability in responding to the Department's requests for information and, thus, were assigned rates based on "adverse facts available." See Glycine from India, 73 FR at 16641. Therefore, it cannot be determined whether Epic and Ashok are producers of glycine.

The Department has in the past rejected using financial reports from companies with a negative or zero profit in favor of profitable companies. A company's profit amount is a function of its total expenses and, therefore, is intrinsically tied to the other financial ratios for that company. See Persulfates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 64 FR 69494 (December 13, 1999). We determine that Epic's and Ashok's financial reports for fiscal year 2007-2008 are unprofitable and, therefore, are not the best information available by which to value surrogate financial ratios. Likewise, the Department finds that Epic's and Ashok's financial reports for fiscal year 2006-2007 are profitable only due to "other income." Moreover, we are unable to determine whether "other income" is related to normal operations involving production and sales. Even if Epic's and Ashok's "other incomes" are related to normal operations, we find that Epic's and Ashok's financial reports are only contemporaneous with one month and four months of the POR, respectively. Furthermore, the Department is unable to determine if the profitability of Ashok is based upon the production and sales of acetic acid and monochloroacetic acid because of the following reasons: (1) acetic acid and monochloroacetic acid are only two of the many products that Ashok produces; and (2) the financial statements do not provide any product-specific information nor describe the disposition of the company's sales. Likewise, as noted above, Epic produces merchandise non-comparable to glycine and its financial statement does not identify the sources of the company's sales. Therefore, we are unable to determine if Epic's profit for 2006-2007 pertains to sales of merchandise comparable to glycine.

The Department determines that Epic's and Ashok's financial reports for fiscal years 2006-2007 and 2007-2008 are not suitable for use, which is consistent with the Department's practice to use complete financial statements. See Steel Concrete Reinforcing Bars from Belarus at Comment 2. Specifically, Epic's and Ashok's financial reports do not contain: (1) product information; (2) referenced schedules of the profit and loss statement; and (3) referenced schedules, accounting policies, and notes on accounts of the balance sheet. Conversely, we find that Divi's and Jupiter's financial reports are complete and contain product information, which allows the Department to determine that they produce merchandise comparable to glycine.

With respect to Baoding Mantong's argument that Ashok produces acetic acid and monochloroacetic acid which are two main inputs of glycine, the Department continues to find Divi and Jupiter as producers of merchandise more comparable to glycine. We find it reasonable to determine that, as glycine is listed as one of 20 standard amino acids, amino acids are comparable merchandise to glycine because glycine is an amino acid. See Glycine from China 06-07 and accompanying Issues and Decision Memorandum at Comment 4. Thus, even though monochloroacetic acid and acetic acid are two inputs of glycine, we find that glycine is nevertheless a form of an amino acid. Similarly, the Department finds that Divi and Jupiter make products that most closely approximate the glycine production experience of Baoding Mantong.

For purposes of these final results, the Department determines that Divi's and Jupiter's financial reports are the best information available to calculate surrogate financial ratios because: (1) the companies are profitable; (2) the financial reports are most contemporaneous with the POR; (3) the companies are producers of merchandise comparable to glycine; and (4) the financial reports are complete and contain product information.

Comment 2: Surrogate Value for Sulfur

For purposes of these final results, Baoding Mantong contends that the Department should use the sulfur volume reported in the raw materials consumed section of Tata Chemicals Limited's ("Tata") 2007-2008 financial report to calculate the surrogate value for sulfur. See Baoding Mantong's Surrogate Value Submission ("Baoding Mantong's SV Submission"), dated November 7, 2008, at Attachment 4. Baoding Mantong explains that Tata's consumption volume of sulfur is far larger than the import volume from the Indian Import Statistics of the World Trade Atlas ("WTA"). Specifically, Baoding Mantong asserts that the WTA data are based on import quantity of less than 900 metric tons, whereas Tata data are based upon sales of 79,923 metric tons. Baoding Mantong claims that it is evident from the large discrepancy between the average unit import value and the average sales value that the WTA data is unreliable due to its low import volume. According to Baoding Mantong, the U.S. Court of International Trade ("CIT") has ruled that the Department can rely upon Indian Import Statistics as the basis for a surrogate value only "after concluding that they {the import statistics} are based on commercially and statistically significant quantities." See Shanghai Foreign Trade Enterprises Co., Ltd. v. United States, 318 F. Supp. 2d 1339 (Ct. Int'l Trade 2004). Therefore, for purposes of these final results, Baoding Mantong states that the Department should use the sulfur volume reported in the raw materials consumed section of Tata's financial statement to calculate the surrogate value for sulfur.

Furthermore, Baoding Mantong argues that the Department's Preliminary Results minimized the quantity difference between the WTA sulfur volume and Tata sulfur volume. According to Baoding Mantong, the Department incorrectly stated that Tata's volume were only eight times greater than the WTA volume, whereas it is more than 88 times greater. For this reason, Baoding Mantong argues that the Department should use Tata's prices rather than WTA prices in valuing Baoding Mantong's sulfur input.

In response to Baoding Mantong's claim that the WTA data are aberrational due to its low import volume, GSC rebuts that the WTA data are more representative of India-wide prices rather than specific to the experience of one Indian company. GSC further argues that the Department's decision in the Preliminary Results to use the WTA data is consistent with its prior decisions in the 2003-2004 administrative review, the 2005-2006 administrative review, and the 2006-2007 administrative review. See Glycine from the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review, 70 FR 47176 (August 12, 2005) ("Glycine from China 03-04") and accompanying Issues and Decision Memorandum; 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) ("Glycine from China 05-06") and accompanying Issues and Decision Memorandum; Glycine from China 06-07. GSC asserts that the WTA data are more representative of India-wide prices, completely contemporaneous, product-specific, and tax-exclusive and, thus, should be used by the Department in valuing Baoding Mantong's sulfur input.

With respect to Baoding Mantong's claim that the Department minimized the differences between the volume of sulfur imports of the WTA data and the volume consumed by Tata by misstating that the Tata sulfur volume was only eight times larger than the WTA volume, GSC rebuts that the Department's typographical error does not affect its decision or the reasoning of the previous decision. According to GSC, the Department explained that its decision was consistent with the previous review when it concluded that the WTA sulfur value should be used when that value was based on just over 1,000 metric tons and Tata's average company sulfur price was based on approximately 80,000 metric tons. See Administrative Review of Glycine from the People's Republic of China: Surrogate Values for the Preliminary Results, Memorandum to File from Dena Crossland ("Prelim SV Memo"), at 5, dated March 31, 2009. GSC states that a slight difference of 100 metric tons in import quantity should not affect the Department's reasoning in support and selection of the WTA sulfur value. Moreover, GSC explains that in the previous review, the Department stated that the quantity "is not so low as to bring into question the reliability of the data" and that "the Indian Import Statistics data are more representative of India-wide prices, rather than specific to the experience of one Indian purchaser/seller of sulfur, e.g., Tata." See Prelim SV Memo at 5. Therefore, for purposes of these final results, GSC contends that the Department should continue to use WTA prices to calculate the surrogate value for sulfur.

Department's Position:

Based on information contained on the record of the instant review, we continue to find that the WTA data are the best available information to value Baoding Mantong's sulfur input. Section 773(c)(1) of the Act states that "the valuation of the FOP shall be based on the best available information regarding the values of such factors. . ." When selecting possible surrogate values for use in a non-market economy ("NME") proceeding, the Department's preference is to use, where possible, a publicly available value which is: (1) an average non-export value; (2) representative of a range of prices within the POR or most contemporaneous with the POR; (3) product-specific; and (4) tax-exclusive. See, e.g., Final Determination of Sales at Less Than Fair Value: Certain Activated Carbon from the People's Republic of China, 72 FR 9508 (March 2, 2007) ("Activated Carbon") and accompanying Issues and Decision Memorandum at Comment 18.

As noted above, the Department prefers to use representative prices when calculating surrogate values. We find that WTA data are more representative of India-wide prices than Tata data because it is based on the aggregate sulfur imports of various Indian companies instead of specific to one company's sulfur consumption experience. With respect to Baoding Mantong's argument that WTA prices are aberrational due to its low import volume, the Department finds that WTA prices are reliable and accurate. Particularly, the 2007-2008 import volume is reasonable when compared to the import volumes in the previous administrative review. Additionally, the Tata price is based on the "raw materials consumed" section of Tata's financial statement, which appears to include inventory values for various years. The Department's preference is to use sales values as opposed to purchased or inventory values because inventory values are typically determined by the company and may not reflect the prevailing market price. See Glycine from China 06-07 and accompanying Issues and Decision Memorandum at Comment 5.

For purposes of these final results, the Department determines that WTA data are the best available information to value Baoding Mantong's sulfur input because (1) they are average non-export values, (2) they are representative of India-wide prices, (3) they are product-specific, (4) they are tax-exclusive, and (5) they are contemporaneous with the POR.

Comment 3: Surrogate Value for Formaldehyde

For purposes of these final results, Baoding Mantong argues that the Department should use average formaldehyde prices for Mumbai, Delhi, and Chennai as reported in Chemical Weekly as a surrogate for formaldehyde, rather than continue to rely upon Indian import data from WTA. See Baoding Mantong's SV Submission at 3 and Attachment 2. Baoding Mantong further argues that the Chemical Weekly data are specific to the purity of the formaldehyde used by Baoding Mantong to produce glycine. Specifically, Baoding Mantong contends that since Chemical Weekly prices are reported at 100 percent purity (unless otherwise specified), the Department can adjust the price to obtain a surrogate value equal to the precise purity level of the formaldehyde used by Baoding Mantong, which is 37.0 to 37.4 percent purity. See DQR at Appendix D5. Conversely, Baoding Mantong asserts that because the purity level of the surrogate value obtained from the WTA data is unknown, it is not possible to derive an appropriate surrogate value from these data to reflect the purity level of the formaldehyde used by Baoding Mantong to produce the subject merchandise. Therefore, Baoding Mantong avers that Chemical Weekly prices are more product-specific to Baoding Mantong's subject merchandise and, therefore, represent the best available information on the record by which to value the formaldehyde input.

In rebuttal, GSC states that the Department should continue to rely upon Indian import data from WTA to calculate the surrogate value for formaldehyde. In particular, GSC points out that Baoding Mantong's claim that Chemical Weekly prices are reported at 100 percent purity, unless otherwise specified, are unsupported by the record. GSC claims that even if this were true, it does not logically follow, as Baoding Mantong suggests, that the Department can derive a 37 percent formaldehyde solution surrogate value by simply multiplying the Chemical Weekly 100 percent purity formaldehyde price by 37 percent. According to GSC, nothing on the record indicates that a direct correlation exists between the price of formaldehyde and its purity concentration. GSC further claims that the product in solution could cost more than the product in its pure form because of the additional procedural steps involved to produce it. GSC also notes that the Department used the WTA prices for formaldehyde in the Preliminary Results and the previous three administrative reviews. See Glycine from China 03-04 and accompanying Issues and Decision Memorandum; Surrogate Value Used for the Preliminary Results of the 3/1/03-2/29/04 Administrative Review of Glycine from the People's Republic of China, A-570-836 (March 31, 2005) at 4; Glycine from China 05-06 and accompanying Issues and Decision Memorandum (referencing Antidumping Duty Administrative Review of Glycine from the People's Republic of China: Surrogate Values for the Preliminary Results, A-570-836 (April 2, 2007) at Exhibit 1); Glycine from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission, 73 FR 18503 (April 4, 2008); Surrogate Values for the Preliminary Results, Memorandum to the File from Toni Dach, A-570-836 (March 28, 2008) at 4-5; Glycine from China 06-07. For these reasons, GSC contends that the Department should continue to rely upon the WTA prices as a surrogate value for formaldehyde.

Department's Position:

In the Preliminary Results, the Department used WTA data to value Baoding Mantong's formaldehyde input. However, after further considering the information contained on the record of the instant review, in addition to the Department's past practice, we find that Chemical Weekly data are the best information available to value Baoding Mantong's formaldehyde input for these final results. Section 773(c)(1) of the Act states that "the valuation of the FOP shall be based on the best available information regarding the values of such factors. . . ." When selecting possible surrogate values for use in an NME proceeding, the Department's preference is to use, where possible, a publicly available value which is: (1) an average non-export value; (2) representative of a range of prices within the POR or most contemporaneous with the POR; (3) product-specific; and (4) tax-exclusive. See, e.g., Activated Carbon and accompanying Issues and Decision Memorandum at Comment 18.

In its section D questionnaire response, Baoding Mantong specified that the formaldehyde it consumes has a purity level of 37.0 to 37.4 percent. See Baoding Mantong's DQR at Appendix D5. We note that in the final results for the 2005-2006 antidumping duty review of the order on helical spring lock washers from the PRC, the Department found that, unless specified otherwise, Chemical Weekly prices are reported at 100 percent purity. Specifically, the Department stated:

> In response to a November 16, 1999, inquiry regarding the concentration levels of Chemical Weekly price quotes, the editor of Chemical Weekly stated that chemical price quotes which do not mention the chemical's purity level are based on a one hundred percent purity level. See November 22, 1999, Memo to the File from Christopher Priddy.

See Helical Spring Lock Washers From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 73 FR 4175 (January 24, 2008) and accompanying Issues and Decision Memorandum at Comment 4 (citing Sebacic Acid From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 64 FR 69503, 69504 (December 13, 1999)). Therefore, because the Chemical Weekly data did not specify the concentration at which they were reported, the Department finds that the Chemical Weekly data were reported at 100 percent concentration level. Moreover, in the helical spring lock washers final determination, in order to make prices specific to the purity levels of the chemicals used by respondents in these cases, we multiplied the concentration level percentages of the consumed chemicals by respondents by the prices for the chemicals listed in the surrogate value source. See Final Determination of Sales at Less Than Fair Value: Certain Helical Spring Lock Washers From the People's Republic of China, 58 FR 48833, 48846 (September 20, 1993) ("Helical Spring Lock Washers from the PRC Final Determination"). We also made adjustments for concentration levels in Amended Final Determination and Amended Antidumping Duty Order: Certain Helical Spring Lock Washers From the People's Republic of China, 58 FR 61859 (November 23, 1993) ("Amended Helical Spring Lock Washers Final Determination") at Comment 1 and Persulfates From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, 69 FR 47887, 47889 (August 6, 2004) (unchanged in final results, 70 FR 6836 (February 9, 2005)). Accordingly, we will adjust the Chemical Weekly data to reflect the value of the specific formaldehyde used by Baoding Mantong in this review.

Furthermore, the WTA data lists the Indian Harmonized Tariff ("HTS") number for formaldehyde, but does not provide information with respect to the concentration level for the formaldehyde. Moreover, the WTA data for formaldehyde that appear on the record of this review do not specify the concentration level(s) captured by the data. Thus, we find that with Chemical Weekly prices, we are able to calculate a more specific surrogate value for Baoding Mantong's formaldehyde input because the Chemical Weekly prices are based on 100 percent purity level and the WTA data do not include information about formaldehyde concentration levels.

In addition to the specificity of its data, in terms of concentration levels, the Department has found it appropriate to use Chemical Weekly data in multiple cases because they are publicly available data. Id. The Department has also determined that Chemical Weekly prices, in this review based on prices from three locations (i.e., Mumbai, Delhi, and Chennai), are considered country-wide prices. Id. citing Notice of Final Determination of Sales at Less Than Fair Value: Polyvinyl Alcohol from the People's Republic of China, 68 FR 47538 (August 11, 2003) and accompanying Issues and Decision Memorandum at Comment 1 ("the Department has a clear preference for using country-wide prices such as those published in Chemical Weekly, . . .").

GSC asserts that nothing on the record indicates that a direct correlation exists between the price of formaldehyde and its purity concentration, and that the product in solution could cost more than the product in its pure form because of the additional procedural steps involved to produce it. However, GSC has not provided anything to support its assertion. Absent any record evidence, the Department is relying on the assumption that the formaldehyde Baoding Mantong uses is of a 37.0 to 37.4-percent purity level in a 63.0 to 62.6-percent aqueous solution. Additionally, we conclude that best information available for determining the specific surrogate value for Baoding Mantong's formaldehyde input is to multiply the Chemical Weekly 100 percent purity formaldehyde price by a 37.2-percent concentration level (i.e., the simple average of the 37.0 to 37.4 concentration levels specified by Baoding Mantong), as we have done in other investigations or reviews. See Helical Spring Lock Washers from the PRC Final Determination, 58 FR 48833, 48846; see also Amended Helical Spring Lock Washers Final Determination, 58 FR at 61860, where the Department stated that it will recalculate the price for a 34 percent concentration level of hydrochloric acid, using the average of the 33-35 percent range reported for hydrochloric acid by the respondent.

Regarding GSC's argument that the Department used the WTA prices for formaldehyde in the Preliminary Results and the previous three administrative reviews, and should therefore continue to do so in this review, we have information on the record to determine the specific concentration of formaldehyde that Baoding Mantong uses. Accordingly, the Chemical Weekly data are the best available information to value formaldehyde because the data are more specific.

Therefore, we find for these final results that Chemical Weekly data best meet the Department's criteria for surrogate value selection, as they are more product-specific to Baoding Mantong's formaldehyde input, they are the average value for the period from March 2007 through February 2008 (and therefore contemporaneous with the POR), representative of India-wide prices, and tax-exclusive. Accordingly, we will adjust the Chemical Weekly data to reflect the value of formaldehyde at 37.2-percent concentration level in these final results.

Comment 4: Surrogate Value for Liquid Ammonia

For purposes of these final results, GSC contends that the Department should use aqueous ammonia derived from the WTA import prices to determine the surrogate value for liquid ammonia. GSC claims that Baoding Mantong is inconsistent in providing evidence for their chemical formulation. GSC explains that, in the Preliminary Results, the Department valued liquid ammonia using the WTA import prices for anhydrous ammonia submitted by Baoding Mantong because the Department stated that anhydrous ammonia and Baoding Mantong's liquid ammonia input share a chemical formulation of NH4, indicating that the anhydrous ammonia value is more specific to the input used in the production of Baoding Mantong's glycine. See Prelim SV Memo. However, GSC argues that Baoding Mantong did not provide first-hand original documentation to support their use of NH4 and in the previous administrative review Baoding Mantong claimed that the chemical formulation of its liquid ammonia was NH3. See Glycine from China 06-07 and accompanying Issues and Decision Memorandum at Comment 3. Additionally, GSC claims that in the 2003-2004 administrative review, Baoding Mantong submitted aqueous ammonia surrogate values on the record for its material input of liquid ammonia. See Prelim SV Memo. Therefore, GSC states that Baoding Mantong's inconsistencies underscore why the Department should rely on aqueous ammonia from the WTA data to determine the surrogate value for liquid ammonia.

Baoding Mantong contends that the Department should continue to value its liquid ammonia input using WTA data for anhydrous ammonia because aqueous ammonia is not reflective of Baoding Mantong's liquid ammonia. Baoding Mantong explains that ammonia in aqueous solution has a chemical formulation of NH4OH, rather than NH3, which is the chemical formulation for the anhydrous ammonia used by Baoding Mantong. Baoding Mantong states that, in the 2005-2006 administrative review, GSC itself describes the two methods of glycine production, the same method used by another respondent in that review, Nantong Dongchang Chemical Industry Co., Ltd., as using anhydrous ammonia. See Glycine from China 05-06 and accompanying Issues and Decision Memorandum at Comment 1. Moreover, Baoding Mantong notes that in the same review, the Department found that the McGraw Hill Dictionary of Scientific and Technical Terms describes anhydrous ammonia as liquid ammonia. See Glycine from China 05-06 and accompanying Issues and Decision Memorandum at Comment 1. Similarly, Baoding Mantong states that the Department explained that liquid ammonia with a chemical composition of NH3, and a purity level of greater than 99 percent, is reflective of anhydrous ammonia, which corresponds to the information submitted by Baoding Mantong in its September 9, 2008, questionnaire response at Appendix D5. See Glycine from China 06-07 and accompanying Issues and Decision Memorandum at Comment 3. Therefore, for purposes of these final results, Baoding Mantong argues that the Department should continue to value its ammonia input using WTA data for anhydrous ammonia.

Department's Position:

Based on information contained on the record of the instant review, the Department continues to find that WTA data for anhydrous ammonia is the appropriate source to value Baoding Mantong's liquid ammonia input. In valuing the FOP, section 773(c)(1) of the Act instructs the Department to use "the best available information" from the appropriate market economy country. The Department's criteria for selecting surrogate value information are normally based on the use of publicly available information and the Department considers several factors when choosing the most appropriate publicly available information, including the quality, specificity, and contemporaneity of the data. See, e.g., Notice of Final Determination of Sales at Less Than Fair Value, and Affirmative Critical Circumstances, In Part: Certain Lined

Paper Products From the People's Republic of China, 71 FR 53079 (September 8, 2006) ("Lined Paper from China") and accompanying Issues and Decision Memorandum at Comment 3.

With respect to GSC's argument that Baoding Mantong did not provide any first-hand evidence for their use of NH3, the Department finds that the chemical reaction formula for glycine production submitted by Baoding Mantong reported the use of NH3. Moreover, we find that Baoding Mantong's reported use of anhydrous ammonia to be consistent with our findings. Evidence the Department found supporting this conclusion consists of: (1) the chemical reaction formula for glycine production submitted by Baoding Mantong that shows NH3 being used; and (2) Certificates of Analyses from Baoding Mantong's ammonia suppliers, indicating the chemical name and purity level (99.8%). See Baoding's DQR at D4. Liquid ammonia with a chemical composition of NH3, and a purity level of greater than 99 percent, is reflective of anhydrous ammonia. See Glycine from China 05-06.

The WTA prices for anhydrous ammonia are publicly available, an average non-export value, contemporaneous with the POR, representative of India-wide prices, and specific to Baoding Mantong's liquid ammonia input. Therefore, for purposes of these final results, the Department finds the WTA import prices for anhydrous ammonia is the best information available to value Baoding Mantong's liquid ammonia input.

Comment 5: Surrogate Value for Steam Coal

For purposes of these final results, GSC contends that the Department should value Baoding Mantong's steam coal input using the WTA import prices because the 2004-2005 Tata Energy Research Institute Data Directory & Yearbook ("TERI"), which covers the prices of sales of all types of coal made by Coal India Limited ("CIL") and its subsidies, is aberrational and unreliable due to the Indian government's control of the coal industry, government subsidies and the absence of market pricing. See Preliminary Results. GSC explains that due to the absence of market pricing and controlled distribution policies, the national coal industry has always been producing less coal than the actual demand and a shortage always existed. See GSC's Additional Publicly Available Information for Valuing Baoding Mantong's Factors of Production ("April 28, 2008, Submission"), dated April 28, 2009, at Attachment 2 at 1. Moreover, GSC argues that, in 2006, the Supreme Court of India forced CIL to halt its market pricing of coal by electronic auction, showing that CIL abused its monopoly status to seek the highest price rather than fulfilling its constitutional goals. See GSC's April 28, 2009, Submission at Attachment 2 at 41. Therefore, GSC asserts that the Department should use the WTA prices for steam coal as they are more indicative of market prices.

GSC claims that the Department decided not to use their submitted value from the WTA data for steam coal, which is contemporaneous for the POR whereas the TERI data is non-contemporaneous, because the TERI data are "more specific to the input used (non-coking steam coal, as evidenced by information placed on the record by Baoding Mantong) than are the WTA data." See Prelim SV Memo at 8. GSC claims that Baoding Mantong never provided evidence to support that it uses non-coking steam coal, and the Department in its only verification of Baoding Mantong, during the 2003-2004 administrative review, did not distinguish between non-coking and some other forms of steam coal before using the steam coal value from GSC's submission. See GSC's Rebuttal of Factual Information in Response to Baoding Mantong's November 7, 2008 Surrogate Value Submission, dated November 17, 2008, at Exhibit 2. Moreover, GSC explains that the only data on the record to support Baoding Mantong's allegation are worksheets prepared by Baoding Mantong itself indicating that it uses non-coking coal at a particular useful heat value ("UHV"). GSC states that, because there is no evidence of Baoding Mantong's use of non-coking steam coal, the Department should thus use the WTA data to determine the surrogate value for steam coal for purposes of these final results.

In rebuttal, Baoding Mantong contends that the Department should continue to use the TERI data regarding average prices of non-coking steam coal, by grade, as reported by CIL because it is more specific to the input used than are the WTA data. Baoding Mantong further rebuts GSC's claim that Baoding Mantong did not provide information showing that it used non-coking steam coal. Baoding Mantong argues that it reported a usage factor for "non coking coal" which "represented the amount of coal non-coking steam coal used to produce one metric ton of food grade glycine." See Baoding's DQR at page D11. In addition, Baoding Mantong argues that it also submitted to the Department a certificate of assay for the UHV of the coal purchased and used during the POR, showing that it has a UHV value of 5450 kcal/kg. See Baoding Mantong's response to the Department's fourth supplemental questionnaire ("4SQR"), dated March 9, 2009, at Attachment S4-3. Baoding Mantong rebuts that GSC's argument that Baoding Mantong did not provide information showing that it uses non-coking steam coal is incorrect and, therefore, the Department should continue to use the TERI data, by grade, to value steam coal because it is more specific to the input used by Baoding Mantong.

Baoding Mantong contends that, for purposes of these final results, the Department should continue to value Baoding Mantong's non-coking steam coal input with a surrogate value based upon the TERI data as the Department determined that "TERI data are more specific to the input used (non-coking steam coal, as evidenced by information placed on the record by Baoding Mantong) than are the Indian Import Statistics data." See Prelim SV Memo at 8. However, Baoding Mantong notes that the Department should value Baoding Mantong's non-coking steam coal input using the TERI data for Grade B non-coking coal instead of Grade A non-coking coal because Baoding Mantong's steam coal UHV value of 5450 kcal/kg. is within Grade B type, which has a UHV between 5600 kcal/kg. and 6200 kcal/kg.

Department's Position:

The Department determines that CIL data, which GSC submitted, are the best available information on the record to calculate the surrogate value for steam coal. See GSC's Additional Publicly Available Information for Valuing Baoding Mantong's Factors of Production, dated April 28, 2009, at Attachment 2 ("GSC Additional SV Submission"). In valuing FOP information, section 773(c)(1) of the Act directs the Department to use "the best available information" from the appropriate market-economy country. Moreover, in choosing the most appropriate surrogate value, the Department considers several factors, including the quality, specificity, and contemporaneity of the data. See, e.g., Lined Paper from China and accompanying Issues and Decision Memorandum at Comment 3. The Department also prefers to rely on publicly available data. See Freshwater Crawfish Tail Meat from the People's Republic of China; Notice of Final Results of Antidumping Duty Administrative Review and New Shipper Reviews, and Final Partial Rescission of Antidumping Duty Administrative Review, 66 FR 20634 (April 24, 2001) and accompanying Issues and Decision Memorandum at Comment 2. Generally, when considering pricing data, the Department prefers to use a publicly available price that reflects numerous transactions between many buyers and sellers because the experience of a single producer is less representative of the cost of an input in a surrogate country. See Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From the People's Republic of China, 66 FR 33522 (June 22, 2001) and accompanying Issues and Decision Memorandum at Comment 5.

The Department finds that the CIL data satisfies the above criteria as much as TERI data with respect to the grade-specificity, representativeness of Indian-wide prices, publicly available information, and average non-export value. However, we also find that the CIL data are contemporaneous, as opposed to the TERI data. Additionally, since the TERI data are based directly upon the CIL data, the Department determines that the CIL data are the best information available on the record of this review with which to value Baoding Mantong's steam coal input.

Regarding GSC's claim that Baoding Mantong never provided evidence for its non-coking steam coal use, the Department finds that Baoding Mantong did provide evidence specifying the type of steam coal it uses. Specifically, Baoding Mantong reported that it uses non-coking coal with a UHV of 5450 kcal/kg. See Baoding's DQR at page D4; Baoding Mantong's 4SQR at Exhibit S4-3. Where, as here, we have information submitted by Baoding Mantong on the record that is grade-specific, we have determined to use the CIL data to calculate the surrogate value for Baoding Mantong's steam coal input because they are grade-specific. Furthermore, the Department finds that Baoding Mantong's steam coal UHV of 5450 kcal/kg. is best considered as Grade B non-coking coal category, which has a UHV between 5600 kcal/kg. and 6200 kcal/kg. according to the TERI data. See Baoding Mantong's SV Submission at Attachment 5.

With respect to GSC's argument that the TERI data, which are based upon the CIL data, are aberrational and unreliable due to the Indian government's control of the coal industry, government subsidies and the absence of market pricing, record evidence does not support GSC's argument. Moreover, GSC does not specifically cite record evidence in support of its contention regarding government subsidy programs. As a result, the Department is unable to determine the effect government intervention in the Indian coal industry may have on prices. On the contrary, the Department found that, based upon GSC's pricing information from CIL's website, the Indian government deregulated prices of non-coking coal on March 22, 1996, and further in December 12, 2007 to match market prices. See GSC Additional SV Submission at Attachment 2. Furthermore, not withstanding GSC's argument, the Department has in the past used the TERI data (based on CIL data) for calculating surrogate value purposes. See e.g., Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order Pursuant to Court Decision: Lawn and Garden Steel Fence Posts from the People's Republic of China, 72 FR 32835 (June 14, 2007) ("Steel Fence from China"); Wuhan Bee Healthy Co., Ltd. v. United States, Slip Op. 05-65 (Ct. Int'l Trade June 10, 2005) ("Wuhan").

The CIT has previously upheld the Department's use of the TERI data for calculating the surrogate value for coal. See Steel Fence from China. Moreover, based on the independent research conducted by the Department in response to the CIT's remand order in Wuhan, the Department found that the TERI data were representative of the Indian coal industry because their prices were obtained directly from CIL and its eight subsidiaries located throughout India, which produces more than 80 percent of India's coal. See Final Results of Redetermination Pursuant to Remand (A-570-863), dated September 6, 2005, at 8. Additionally, we stated that "{a}lthough the Department has some concerns about the monopolistic structure of the coal industry in India . . . the Department determines that the TERI steam coal pricing data are the best quality data because not only are they published, publicly-available data, but also because they are representative of the coal industry throughout India." Id. at 8-9. With regard to specificity of the TERI data, we found that the TERI data prices were derived from actual sales prices of steam coal in India. Id. at 9. In questioning its prior reliance on TERI data, the Department finds no evidence on the record of the instant review that TERI data are aberrational and unreliable.

Given that CIL prices are more specific than the WTA prices and are more contemporaneous than the TERI prices, the Department finds that the CIL data are the best information available on the record by which to calculate the surrogate value for steam coal because they are (1) non-export values, (2) representative of India-wide prices, (3) contemporaneous with the POR, (4) specific to the steam coal input used by Baoding Mantong, and (5) tax-exclusive.

Comment 6: Surrogate Value for Chlorine

GSC argues that the Department should include the chlorine sales turnover value contained in the fiscal year 2007-2008 financial report of Lords Chloro Alkali Limited ("Lords"), an Indian producer of caustic soda and its related products such as chlorine, in calculating a surrogate value for chlorine. See GSC Additional SV Submission at Attachment 1. GSC contends that expanding the number of company financial reports will result in a more accurate final chlorine value. GSC states that, in the Preliminary Results, the Department averaged the chlorine sales turnover values from the fiscal year 2008 financial reports of Chemfab Alkalies Limited ("Chemfab"), Tata, and Kanoria Chemicals & Industries Limited ("Kanoria"), and asserts that it should also include the financial report for Lords in these final results. Baoding Mantong did not comment on this issue.

Department's Position:

For purposes of these final results, we have included Lords' chlorine sales turnover value in order to derive an average price to value this input. As noted above, section 773(c)(1) of the Act states that "the valuation of the FOP shall be based on the best available information regarding the values of such factors. . . ." When selecting possible surrogate values for use in an NME proceeding, the Department's preference is to use, where possible, a publicly available value which is: (1) an average non-export value; (2) representative of a range of prices within the POR or most contemporaneous with the POR; (3) product-specific; and (4) tax-exclusive. See, e.g., Activated Carbon and accompanying Issues and Decision Memorandum at Comment 18.

In the Preliminary Results, the Department valued chlorine by averaging the chlorine sales turnover value of Chemfab, Tata and Kanoria. On April 28, 2009, GSC submitted the 2007-2008 financial report of Lords which includes its chlorine sales turnover value. Including Lords' tax-exclusive chlorine sales turnover value for the 2007-2008 fiscal year, the fiscal year most contemporaneous with the POR, in our calculation will result in a more representative surrogate value for chlorine. We determine that the Lords financial report for the fiscal year 2007-2008 is profitable and includes no government subsidies. Likewise, we find that the liquid chlorine used by Lords is product-specific. Therefore, we determine that including Lords' chlorine sales turnover value in the calculation of the average surrogate price enables the Department to derive a value specific to the chlorine used by Baoding Mantong to produce glycine that is representative of the prices throughout India. Where, as here, we have information on the record to create a more representative average of the range of prices for chlorine, we have decided to include Lords' financial report in our calculation of an average chlorine value for these final results.

Comment 7: Comments on Draft CBP Instructions

GSC contends that the draft liquidation instructions for the companies rescinded from the ongoing review, which the Department provided with its disclosure documents for the preliminary results, should be simplified to reduce the possibility of fraud before they are sent to CBP after the final results are published. GSC also asserts that the draft proprietary liquidation instructions for Baoding Mantong should be simplified to reduce the possibility of fraud and to ensure the proper assessment for all entries. GSC specifies in its case brief the language that should be included in the liquidation instructions to ensure that all entries of glycine that were not subject to Baoding Mantong's duty rate are liquidated at the PRC-wide rate of 155.89 percent. See GSC's Case Brief, dated May 11, 2009, at 17-18. Baoding Mantong did not comment on this issue.

Department's Position:

The Department is adjusting the language in the liquidation instructions to ensure that all entries that entered at Baoding Mantong's rate but not covered by Baoding Mantong's U.S. sales data during this review are liquidated at the PRC-wide rate. Although we are not using the exact language that GSC recommended in its case brief, we will incorporate language into our liquidation instructions to ensure the proper liquidation of entries that may have entered at Baoding Mantong's cash deposit rate, but for which the exporter is another company.

Recommendation

Based on our analysis of the comments received, we recommend adopting all of the above positions and adjusting the margin calculation accordingly. If these recommendations are accepted, we will publish the final results of this administrative review and the final dumping margins in the Federal Register.

AGREE _______ DISAGREE _______

____
Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration

____
Date