68 FR 9055, February 27, 2003

A-822-805
POR: 10/01/01-3/31/02
Public Document
AD/CVD GIIO4: TEM

February 19, 2003

MEMORANDUM TO: Faryar Shirzad
Assistant Secretary
for Import Administration

FROM: Bernard T. Carreau
Deputy Assistant Secretary
for Import Administration, Group II

SUBJECT: Issues and Decision Memorandum for the Final Determination in the Antidumping Investigation of Urea Ammonium Nitrate Solutions from Belarus **C** October 1, 2001, through March 31, 2002

Summary

We have analyzed the comments and rebuttal comments of interested parties in the antidumping investigation covering Urea Ammonium Nitrate Solutions (UANS) from Belarus. As a result of our analysis, we have made changes in the margin calculations, including corrections resulting from verification. We recommend that you approve the positions we have developed in the Issues and Decisions section of this memorandum.

Background

On May 9, 2002, the Department of Commerce (the Department) initiated antidumping investigations to determine whether imports of UANS from Lithuania, Belarus, the Russian Federation, and Ukraine are being, or are likely to be, sold in the United States at less than fair value (LTFV). See Initiation of Antidumping Investigations: Urea Ammonium Nitrate Solutions from Belarus, Lithuania, the Russian Federation, and Ukraine, 67 FR 35492 (May 20, 2002) (Initiation Notice).[1] On June 4, 2002, the U.S. International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of UANS from

[1] The petitioner in this investigation is the Nitrogen Solutions Fair Trade Committee (the petitioner). Its members consist of CF Industries, Inc., Mississippi Chemical Corporation, and Terra Industries, Inc.

Belarus, the Russian Federation and Ukraine. See Urea Ammonium Nitrate Solution from Belarus, Lithuania, the Russian Federation and Ukraine, 67 FR 39439 (June 7, 2002). On October 3, 2002, the Department issued its preliminary determination. See Notice of Preliminary Determination of Sales at Less Than Fair Value: Urea Ammonium Nitrate Solutions From Belarus, 67 FR 62015 (October 3, 2002). The period of investigation (POI) is October 1, 2001, through March 31, 2002.

At the request of Grodno Production Republican Enterprise "GPO Azot" (Grodno), the respondent in this investigation, we postponed the final determination. See Postponement of the Final Determinations in the Less-Than-Fair-Value Investigations of Urea Ammonium Nitrate Solutions From Belarus, the Russian Federation, and Ukraine, 67 FR 67823 (November 7, 2002).

We conducted verification on November 2, 2002, and November 4, 2002, through November 6, 2002. On December 23, 2002, the Department placed the report of its verification of Grodno's sales and factors of production (FOP) information on the record of this investigation. See Memorandum from Tom Martin, Import Compliance Specialist, to the File, dated December 20, 2002, "Verification of Sales and Factors of Production Information Reported by Grodno Production Republican Enterprise"(Verification Report).

In a memorandum filed on December 23, 2002, we extended the time limit for submitting case briefs pursuant to section 351.309(c)(1)(i) of the Department's regulations. We received a case brief from the petitioner on January 7, 2003. On January 14, 2003, the respondent, through the Embassy of the Republic of Belarus, requested, and the Department granted, an extension for Grodno to submit comments. The respondent submitted comments on January 17, 2003.

Below is the complete list of the issues in this investigation for which we received comments from parties:

List of Issues

1. Whether Lithuania Should Be Used as a Surrogate Country

2. Whether Catalysts Should Be Valued Separately

3. Whether Water and Water-based Inputs (Steam and Raw Condensate) Should Be Valued Separately

4. Whether Grodno Should Be Issued a Separate Rate

Analysis of the Issues

Comment 1: Whether Lithuania Should Be Used as a Surrogate Country

Grodno asserted that Lithuania is more appropriate as a surrogate country than South Africa for the purposes of calculating normal value. In particular, Grodno states that Lithuania and Belarus 1) are comparable with respect to gross domestic product per person, 2) have a similar level of economic development, 3) use similar technology in the production of subject merchandise, 4) export freight from the same port on the Baltic Sea, 5) cost of production and export delivery are comparable with respect to subject merchandise, and 6) have just one producer of subject merchandise.

Department's Position:

We disagree with Grodno. Pursuant to section 351.408(a) of the Department's regulations, and section 773(c) of the Tariff Act of 1930, as amended (the Act), the Department "normally will calculate normal value by valuing the nonmarket economy producers' factors of production in a market economy country." We note, however, that the Department is currently conducting an inquiry into the status of Lithuania as a nonmarket economy country, see Notice of Initiation of Inquiry Into the Status of Lithuania as a Non-Market Economy Country for Purposes of the Antidumping and Countervailing Duty Laws Under a Changed Circumstances Review of the Solid Urea Order Against Lithuania, 67 FR 57393 (September 10, 2002). Since the Department has not yet completed its inquiry, Lithuania's designation as a nonmarket economy remains in effect. Therefore, Lithuania is not an appropriate surrogate country for purposes of calculating normal value in the final determination. Moreover, we note that in discussing Lithuania, Grodno submitted some new factual information. As this data is untimely, we did not consider it for purposes of this final determination. Finally, although Grodno is arguing that we should use Lithuania as a surrogate country, at no point in this proceeding has Grodno, or any other party to the proceeding, submitted Lithuanian factor value information.

Comment 2: Whether Catalysts Should Be Valued Separately

The petitioner argues that, in the preliminary determination, the Department erred by treating catalysts (Comment 2), and water and water-based inputs (steam and raw condensate)(see Comment 3) as overhead items. Rather, the petitioner contends, the Department should have calculated separate surrogate values for each of these inputs. To do otherwise, the petitioner argues, is inconsistent with the Department's past practice. See Notice of Final Determination of Sales At Less Than Fair Value: Solid Agricultural Grade: Ammonium Nitrate From Ukraine, 66 FR 38632 (July 25, 2001) (Ammonium Nitrate from Ukraine). Specifically, the petitioner asserts that each input should receive a separate surrogate value because each is a critical component in the manufacture of the subject merchandise. The petitioner notes that the Department has indicated that Grodno reported that catalysts are depreciated and that their values are

insignificant. See Petitioner's Brief at 4. However, the petitioner asserts that by having treated these inputs as overhead in the preliminary determination, the Department has failed to include these inputs in the estimation of Grodno's cost of producing the subject merchandise.

The petitioner states that if a material input is not physically incorporated into the finished product, the Department's practice is to consider whether a material is included in the factory overhead of a surrogate producer's financial statements, before it decides whether to value the material as an "input" or as a component of overhead. Citing section 773(c)(3) of the Act, the petitioner summarizes the Department's overhead methodology, stating that the Department calculates its overhead ratio based upon surrogate producer financial statements, and applies this ratio to the combined value of the material, energy, variable overhead and labor inputs reported by respondents. See Petitioner's Brief at 5. If, after reviewing a surrogate producer's financial statements (and/or other relevant evidence), the Department determines that the material is included in the surrogate producer's overhead, the petitioner asserts that the Department's practice is to not value the material separately.[2] However, if the Department has reason to believe that the material is not included in the surrogate producer's overhead, the petitioner argues that the Department's practice is to assign the material a separate surrogate value.

The petitioner contends that, in determining how to treat an input, the Department's practice is to also consider whether the material is a direct input or if it is just required for a certain segment of the production process. See Glycine from the People's Republic of China: Final Results of New Shipper Administrative Review, 66 FR 8383 (January 31, 2001). In making this determination, the petitioner argues that the Department examines how the respondent itself treats the material in question, as well as draws conclusions from its own observations. Id. The petitioner asserts that in Ammonium Nitrate from Ukraine, Automotive Replacement Glass Windshields from the PRC[3] and Fresh Garlic from the PRC[4], the Department, after drawing conclusions from its own observations, decided that certain inputs were not included in overhead on the surrogate producers' financial statements and assigned the inputs separate surrogate values. The petitioner

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[2]Silicomanganese From the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review, 65 FR 31514 (May 18, 2000) (Silicomanganese from the PRC) and accompanying Decision Memorandum at Comment IV(1); Final Determination of Sales at Less Than Fair Value: Preserved Mushrooms from the People's Republic of China, 63 FR 72255, 72266 (December 31, 1998)

[3]See Final Determination of Sales at Less Than Fair Value: Automotive Replacement Glass Windshields from the People's Republic of China, 67 FR 6482 (February 12, 2002)(ARG from the PRC)

[4]See Fresh Garlic From the People's Republic of China: Final Results of Antidumping Duty New Shipper Review, 67 FR 72139 (December 4, 2002).

argues that, by undergoing such an analysis, the Department is able to accurately calculate normal value by ensuring that all costs of manufacturing the subject merchandise are included in its calculations.

In the case of catalysts, the petitioner argues that they should receive separate surrogate values because catalysts are not included in overhead on the surrogate producers' financial statements. See Petitioner's Case Brief at 9-10. Moreover, the petitioner argues that catalysts deserve a separate surrogate value because they are significant and essential to the manufacture of the subject merchandise. Id; see also Notice of Final Determination of Sales at Less Than Fair Value: Bicycles from the People's Republic of China, 61 FR 19026 (April 30, 1996) (Bicycles from the PRC). Citing Silicomanganese from the PRC, the petitioner argues that recent precedent demonstrates that whether catalysts are physically incorporated into the product is not dispositive. See Silicomanganese from the PRC and accompanying Decision Memorandum at Comment IV(1). In Silicomanganese from the PRC, the petitioner contends that the Department valued a material as a separate input, even though it found the material was "not physically incorporated within silicomanganese." The petitioner argues that the Department valued the material as a separate input because the record lacked evidence to support the inclusion of the material in overhead and because the Department decided that a separate value would result "...in the most accurate calculation of normal value." Id. Accordingly, the petitioner argues that, as it did in Silicomanganese from the PRC, the Department should value Grodno's catalysts separately because it is "the most accurate calculation of normal value." In addition, the petitioner notes that there is no record evidence to suggest that catalysts are included in the surrogate producers' overhead. See Petitioner's Case Brief at 11.

The petitioner also argues that, in the final determination, the Department should value catalysts as direct materials. The petitioner argues that this valuation would be consistent with the Department's treatment of catalysts as direct materials in Notice of Final Determination of Sales at Less Than Fair Value; Solid Fertilizer Grade Ammonium Nitrate From the Russian Federation, 65 FR 42669 (July 11, 2000) (Ammonium Nitrate from Russia) and in Ammonium Nitrate from Ukraine. The petitioner states that after fully examining the role of catalysts in Ammonium Nitrate from Russia, the Department decided to treat the items as direct materials. The petitioner states that the catalysts, and the process, are the same in Ammonium Nitrate from Russia as in the instant and companion Russian UANS investigations. Since the process is identical, the petitioner argues that the Department should follow its past practice and value Grodno's catalysts as direct materials for the final determination.[5]

[5]The petitioner contends that the Department relied upon its decision from Ammonium Nitrate from Russia (which classified catalysts as direct materials) in Ammonium Nitrate from Ukraine and Notice of Final Determination of Sales at Less Than Fair Value: Ferrovanadium from the People's Republic of China, 67 FR 71137 (November 29, 2002).

Further, the petitioner claims that Grodno's "bill of materials" for an intermediary product, which the Department included among its verification exhibits, includes a catalyst, steam and water along with other inputs. The petitioner contends that the "bill of materials" does not include other overhead items. The petitioner argues that Grodno therefore considers the catalysts, water and steam to be material inputs.

The petitioner notes that, in the preliminary determination, the Department stated that its "...practice is to consider inputs as part of overhead only when they are small in value relative to the total cost of manufacturing." See Classification of Catalysts Memorandum, dated September 26, 2002. The petitioner finds fault with this statement, as well as with the Department's reliance upon Saccharin from the PRC[6] to support its proposition that all inputs that are "small in value relative to the total cost of manufacturing" should be treated as overhead. In Saccharin from the PRC, the petitioner states, the inputs at issue were "infrequently" used "trace chemicals" that were "... small in value relative to the total cost of manufacturing the product and, hence, {were} included in overhead." See Petitioner's Case Brief at 14. Citing Certain Helical Spring Lock Washers From the People's Republic of China; Final Results of Antidumping Duty Administrative Review, 62 FR 61794 (November 19, 1997) (Certain Helical Spring Lock Washers from the PRC) and Final Determination of Sales at Less Than Fair Value: Certain Automotive Replacement Glass Windshields From The People's Republic of China, 67 FR 6482 (February 12, 2002) and accompanying Decision Memorandum at Comment 25, the petitioner argues that the Department's practice is to value direct input materials that are required for a particular segment of the production process, or that appear to be a significant input into the manufacturing process. The petitioner asserts that the inputs at issue in this instant investigation are wholly different from the "infrequently" used inputs at issue in Saccharin from the PRC. Accordingly, the petitioner argues that, given the significance of catalysts in the production process of the subject merchandise, their "small value relative to the total cost of manufacturing" is irrelevant. Moreover, as a matter of policy, the petitioner characterizes the Department's treatment of "small" cost elements as unsound. The petitioner states that simply including "small" input items in overhead, without doing a further analysis regarding their significance to the production process, suggests that a large portion of a respondent's cost may go unaccounted for in the Department's calculation of normal value.

Department's Position:

We disagree with the petitioner and continue to believe that catalysts should be treated as part of overhead. In deciding how to treat any input for the purpose of calculating normal value, the Department takes into consideration the relative cost of the input, its contribution to the production process and finished product, the frequency of its use, and the way the cost of the

[6]See Final Determination of Sales at Less Than Fair Value: Saccharin from the People's Republic of China, 59 FR 58818 (November 15, 1994)(Saccharin from the PRC)

input is typically treated in the industry. In this case, the catalysts and other auxiliary inputs at issue are used to precipitate chemical reactions during the production process, and they are repeatedly and continuously reused, sometimes for periods as long as six years, see Grodno's July 2, 2002 section D response at D-12. As we stated in the Memorandum from Paige Rivas, Team Leader to The File, "Antidumping Duty Investigation of Urea Ammonium Nitrate Solutions from Belarus and the Russian Federation: Classification of Catalysts as Overhead Expense," dated September 26, 2002 (Catalysts Memo), these inputs are a very low percentage of the total cost of manufacturing UANS. Moreover, Grodno treats them as depreciable inputs and accounts for them as part of factory overhead. Id.

In addition, the Department's practice is to consider whether a material is included in the factory overhead of a surrogate producer's financial statements, before it decides whether to value the material as an "input" or as a component of overhead. If, after reviewing a surrogate producer's financial statements, the Department determines that the material is included in the surrogate producer's overhead, the Department's practice is not to value the material separately. However, if the Department has reason to believe that the material is not included in the surrogate producer's overhead, the Department's practice is to assign the material a separate surrogate value. The petitioner is correct that the surrogate producer's financial statements in this case contain no evidence that any given FOP is included in its overhead, but this is not an uncommon situation. The overhead category of a company's financial statements is, by definition, a basket category. Therefore, it is reasonable to assume that not all overhead items will be listed separately. Although some financial statements may serve as an affirmative indication that a given material is treated as a direct material input by the surrogate company, where there is no indication, the converse does not necessarily apply. See Sebacic Acid From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 65 FR 49537 (August 14, 2000) (Sebacic Acid); Notice of Final Determination of Sales at Less Than Fair Value; Polyvinyl Alcohol from the People's Republic of China, 61 FR 14057, 14063 (March 29, 1996). Moreover, the Department takes the position that it is not required to use perfectly conforming information for factor valuations. See Antidumping Duties; Countervailing Duties; Proposed Rule, 61 FR 7308, 7344 (February 27, 1996). In addition, we note that we are not required to do an item-by-item accounting for factory overhead. See Magnesium Corporation of America v. United States, 166 F.3d 1364, 1372 (CAFC 1999) (Magnesium Corp.).

In this case, Grodno includes catalysts and auxiliary inputs in its overhead, and the respondent in the companion Russian case also includes catalysts and auxiliary inputs in its overhead. See Catalysts Memo. We conclude that, as the surrogate producer is in the same industry as Grodno and the Russian respondent, the surrogate producer will treat catalysts in a similar fashion, depreciating them and including them in overhead as Grodno does. See Rhodia, Inc. v. United States and Jilin Pharmaceutical Factory Co. Ltd., Slip. Op. 2002-109 (CIT, September 9, 2002) (Rhodia). Moreover, as the surrogate overhead we applied contains an amount for depreciation, we believe it is reasonable to assume that the catalysts are captured by the amount of the surrogate's overhead, see the Petitioner's August 1, 2002 submission, "Surrogate Country and

Factor Valuations Comments," at Exhibit E-11. For further discussion of our treatment of catalysts, see Catalysts Memo

The Department distinguished this case from Ammonium Nitrate from Russia and Ammonium Nitrate from Ukraine in the preliminary determination. While catalysts are always in use during UANS production, like the trace chemicals to which the petitioner refers in Saccharin from the PRC, the value of the catalysts in UANS is low. Moreover, unlike the records in Ammonium Nitrate from Russia and Ammonium Nitrate from Ukraine, the respondent in this case reported that it depreciates its catalysts. This suggests that it is appropriate to treat them as an indirect manufacturing cost and to classify the cost as factory overhead. As stated in the Catalysts Memo, depreciation expenses are typically considered as overhead expenses.

We find that Silicomanganese from PRC, which the petitioner cites, supports our position with respect to catalysts, as it upholds the practice of considering relative cost in determining what items the Department appropriately attributes to overhead. The electrode paste in Silicomanganese from PRC was not a direct input into the finished product, just as the catalysts are not a direct input into UANS. The cost of electrode paste was high enough that the Department found it necessary to value it apart from overhead, even though the Department acknowledged that such materials are often considered "process costs" attributed to overhead as consumables." See Silicomanganese from the PRC and the accompanying Decision Memorandum at Comment IV(1). In contrast to Silicomanganese from the PRC, the Department finds that the relative cost of the catalysts in UANS is likely not so significant that the catalysts must be extracted from overhead to ensure their inclusion in normal value. Furthermore, the catalysts differ from the inputs in Bicycles from the PRC; those inputs were significant and there was no risk of double counting if we valued them separately. See, c.f., Bicycles from the PRC 61 FR at 19040. See also Certain Preserved Mushrooms From the People's Republic of China: Final Results of Third New Shipper Review and Final Results and Partial Rescission of Second Antidumping Duty Administrative Review (Mushroom from the PRC), 67 FR 46173 (July 12, 2002) and the accompanying Decision Memorandum at Comment 6.

The verification exhibit pertaining to the intermediary product to which the petitioner refers is not a bill of materials, which would indicate that everything listed on it is a material for which Grodno traces its costs per one ton of intermediary product and one ton of UANS in its accounting system. Rather, it is a technical report generated by computer, indicating the consumption of inputs in the shop that makes the intermediary product, for one month. See Verification Report at Exhibit F-4. Nonetheless, Grodno admits that it includes quantities of catalysts and other depreciable units on its cost sheets for each production stage, and that these quantities do not represent actual consumption, but rather are calculated through Grodno's depreciation methodology, see Grodno's August 19, 2002, supplemental section D response at 8. We therefore do not consider that the technical report offers any indication that Grodno does not depreciate catalysts.

Comment 3: Whether Water and Water-based Inputs (Steam and Raw Condensate) Should Be Valued Separately

The petitioner argues that the Department should value water and water-based items as material inputs for the final determination. The petitioner notes that there is no evidence that water and water-based items are included as a part of overhead or depreciation on the surrogate producers' financial statements. Moreover, the petitioner finds fault with the Department's reliance upon Potassium Permanganate From the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review, 66 FR 46775 (September 7, 2001) (Potassium Permanganate) to support its decision to classify water as overhead in the preliminary determination. The petitioner argues that in that case, the Department did not assign water a separate value because the respondent obtained the water at no cost. The petitioner asserts that the same is not true in this instant investigation and that the Department, in Potassium Permanganate, never indicated that water was not valued because it was an overhead item. Further, the petitioner asserts that the Department's decision in Potassium Permanganate was usurped by the Department's decision in 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) (Crawfish from the PRC), where the Department stated "whether respondents purchased or collected water, the Department still utilizes the quantities of raw materials employed in its calculation of constructed value." See Crawfish from the PRC and the accompanying Decision Memorandum at Comment 7. Moreover, in Ammonium Nitrate from the Ukraine, the petitioner contends that the Department treated water and water-based items as direct materials and assigned each a separate value.[7] See Ammonium Nitrate from Ukraine, 66 FR 38632 (July 25, 2001) and accompanying Decision Memorandum at Comment 2.

The petitioner points to evidence presented in the Petition to argue that the manufacture of the subject merchandise is heavily dependent upon water and water-based inputs. Therefore, the petitioner argues that water and water-based inputs should be treated as direct materials, observing that Grodno's "bill of materials" for an intermediary product indicates that Grodno considers steam and circulating water to be direct materials, since they are identified on the document, and overhead items such as equipment, depreciation and maintenance are not found on the document. The petitioner maintains that water and water-based inputs are critical to UANS production, and that the Department should assign a separate value to them, apart from

[7]The petitioner cites Automotive Replacement Glass Windshields from the PRC and Fresh Garlic from the PRC as other examples of the Department's assigning separate values to water as a direct material. See ARG from the PRC, 67 FR 6482 (February 12, 2002) and accompanying Decision Memorandum at Comment 25; see also Fresh Garlic from the PRC, 67 FR 72139 (December 4, 2002) and accompanying Decision Memorandum of New Shipper Review at Comment 7.

overhead.

Department's Position:

The Department agrees with the petitioner in part. We note that Grodno reported two classes of water as energy sources: river water and circulating water. See Grodno's Section D questionnaire response at D-18. Grodno stated that it uses river water to supplement its circulating water system. Id. at D-20. In the preliminary determination, since there was no evidence on the record that indicated that Grodno paid for water, we relied upon Potassium Permanganate and the accompanying Decision Memorandum at Comment 21, where it was determined that, since respondents obtained water directly from the river at no cost, it was not appropriate to value water in the calculation of normal value. At the same time, we categorized river water as an overhead item. However, we verified that Grodno considers river water to be an energy source and that it does in fact pay for river water when its pays the "ecology tax." Therefore, the Department valued river water as a direct energy input. Since circulating water is river water, we did not value circulating water separately to avoid double counting the cost of this input.

In Grodno's case, steam encompasses the categories of steam, boiler steam, secondary steam and raw condensates. We treated steam in the same manner as river water, as Grodno also pays for steam and classifies it as an energy source in the production of UANS. However, with respect to boiler steam, secondary steam and raw condensates, the petitioner's argument that these items should be treated as direct materials is not applicable because Grodno reported these items as byproducts and provided net credits for these materials. The Department allows such credits, but only for the amount of the byproduct/recovery actually sold or reused. See Notice of Final Determination of Sales at Less Than Fair Value: Antidumping Duty Investigation of 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; see also Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Silicon Metal From the Russian Federation, 67 FR 59253, 59263 (September 20, 2002). Due to a lack of commentary by the parties, and the failure of the respondent to make a specific claim for an offset, there is not enough information on the record for the Department to determine if these credits are allowable offsets.

Comment 4: Whether Grodno Should Be Issued a Separate Rate

The petitioner contends that the Department erred in the preliminary determination when it assigned Grodno a separate rate, rather than assigning all exporters of subject merchandise in Belarus a single, country-wide dumping margin. The petitioner points out that Grodno is fully owned by the Government of Belarus, and is required to obtain export licenses from the Government of Belarus which sets both an annual quantitative limit and a price floor. The petitioner states that, although Grodno can apply for an additional license if a designated export

limit is reached, the Government of Belarus places a *de jure* restriction on export activities by controlling the minimum price, and by requiring that Grodno completely satisfy domestic demand before establishing the quantities of UANS that Grodno may export.

Department's Position:

The Department disagrees with the petitioner. Although the Government of Belarus does issue export licenses with price floors and quantitative limits, the Department confirmed at verification that these are formalities rather than restrictions. See Verification Report at 3. The price floors and quantitative limits are set by Grodno itself in its export license applications, and these are in turn routinely approved by the government. While there may be government involvement in this industry, we find that the criteria of the separate rates test have been met. See Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products From the People's Republic of China, 66 FR 49632 (September 28, 2001), and the accompanying Decision Memorandum at Comment 1; Notice of Final Determination of Sales at Less Than Fair Value: Disposable Pocket Lighters From the People's Republic of China, 60 FR 22359, 22363 (May 5, 1995); Notice of Final Determination of Sales at Less Than Fair Value: Sebacic Acid From the People's Republic of China, 59 FR 28053, 28057 (May 31, 1994); Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People's Republic of China, 59 FR 22585, 22588 (May 2, 1994). Therefore, because we find no de jure or de facto control exerted by the government of Belarus over Grodno's export activities, we continue to grant Grodno a separate rate.

Recommendation

Based on our analysis of the comments received, we recommend adopting all of the above positions and adjusting all related margin calculations accordingly. If these recommendations are accepted, we will publish the final determination and the final weighted-average margins in the Federal Register.

AGREE_____ DISAGREE_____

_____

Faryar Shirzad
Assistant Secretary
for Import Administration

_____
(Date)