

filed in proper form by Compass Chemical International LLC (petitioner). See the Petitions on HEDP from India and the PRC submitted on March 19, 2008. On March 24 and 25, and April 1, 2008, the Department issued requests for additional information and clarification of certain areas of the petitions. Based on the Department's requests, the petitioner filed additional information on March 27, April 1 and 3, 2008 (two distinct submissions on general material and one distinct submission on PRC-only material). On March 28, 2008, Rhodia Inc., a producer of non-HEDP phosphonates and an importer of HEDP, submitted information indicating that the petitioner is the only U.S. producer of HEDP.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of HEDP from India and the PRC are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

The Department finds that the petitioner filed these petitions on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(C) of the Act, and has demonstrated sufficient industry support with respect to the antidumping duty investigations that the petitioner is requesting that the Department initiate (see "Determination of Industry Support for the Petitions" section below).

Period of Investigations

The period of investigation (POI) for India is January 1, 2007, through December 31, 2007. The POI for the PRC is July 1, 2007, through December 31, 2007. See 19 CFR 351.204(b)(1).

Scope of Investigations

The merchandise covered by each of these investigations includes all grades of aqueous, acidic (non-neutralized) concentrations of 1-hydroxyethylidene-1, 1-diphosphonic acid¹, also referred to as hydroxyethylidenediphosphonic acid, hydroxyethanediphosphonic acid, acetodiphosphonic acid, and etidronic acid. The CAS (Chemical Abstract Service) registry number for HEDP is 2809-21-4. The merchandise subject to these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2931.00.9043. It may also

enter under HTSUS subheading 2811.19.6090. While HTSUS subheadings are provided for convenience and customs purposes only, the written description of the scope of these investigations is dispositive.

Comments on Scope of Investigations

During our review of the petitions, we discussed the scope with the petitioner to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by April 28, 2008, which is 20 calendar days from the date of signature of this notice. Comments should be addressed to Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

Comments on Product Characteristics for Antidumping Duty Questionnaires

We are requesting comments from interested parties regarding the appropriate physical characteristics of HEDP to be reported in response to the Department's antidumping questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to more accurately report the relevant factors and costs of production, as well as to develop appropriate product comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate listing of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as 1) general product characteristics and 2) the product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by

DEPARTMENT OF COMMERCE

International Trade Administration

(A-533-847, A-570-934)

1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the Republic of India and the People's Republic of China: Initiation of Antidumping Duty Investigations

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

EFFECTIVE DATE: April 14, 2008.

FOR FURTHER INFORMATION CONTACT: Brian Smith (India) or Maisha Cryor (People's Republic of China), AD/CVD Operations, Offices 2 and 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1766 or (202) 482-5831, respectively.

SUPPLEMENTARY INFORMATION:

The Petitions

On March 19, 2008, the Department of Commerce (the Department) received petitions concerning imports of 1-hydroxyethylidene-1, 1-diphosphonic acid (HEDP) from the Republic of India (India) (India petition) and the People's Republic of China (PRC) (PRC petition)

¹ C₂H₈O₇P₂ or C(CH₃)(OH)(PO₃H₂)₂

manufacturers to describe HEDP, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in product matching. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the antidumping duty questionnaires, we must receive comments at the above-referenced address by April 28, 2008. Additionally, rebuttal comments must be received by May 5, 2008.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In

addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that HEDP constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, *see Antidumping Duty Investigation Initiation Checklist: HEDP from India*, Industry Support at Attachment II (*India Initiation Checklist*), and *Antidumping Duty Investigation Initiation Checklist: HEDP from the People's Republic of China (PRC)*, Industry Support at Attachment II (*PRC Initiation Checklist*) on file in the Central Records Unit (CRU), Room 1117 of the main Department of Commerce building.

Our review of the data provided in the petitions, supplemental submissions, and other information readily available to the Department indicates that the petitioner has established industry support. To establish industry support, the petitioner demonstrated that it was the sole producer of the domestic like product in 2007. Therefore, the petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action to evaluate industry support (e.g., polling). *See* Section 732(c)(4)(D) of the Act. In addition, the domestic producers have met the statutory criteria for industry support under 732(c)(4)(A)(i) because the domestic producers (or workers)

who support the petition account for at least 25 percent of the total production of the domestic like product. Finally, the domestic producers have met the statutory criteria for industry support under 732(c)(4)(A)(ii) because the domestic producers (or workers) who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Accordingly, the Department determines that the petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. *See India Initiation Checklist* and *PRC Initiation Checklist* at Attachment II (Industry Support).

The Department finds that the petitioner filed the petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support with respect to the antidumping investigations that it is requesting the Department initiate. *See India Initiation Checklist* and *PRC Initiation Checklist* at Attachment II (Industry Support).

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). The petitioner contends that the industry's injured condition is illustrated by reduced market share, reduced production and capacity utilization, reduced shipments, underselling and price depressing and suppressing effects, lost sales, a decline in financial performance, and an increase in import penetration. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See India Initiation Checklist* and *PRC Initiation Checklist* at Attachment III.

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate these investigations of imports of HEDP from India and the PRC. The sources of data for the deductions and adjustments relating to the U.S. price, constructed value (CV) (for India), and the factors of production

(for the PRC) are also discussed in the country-specific initiation checklists. See *India Initiation Checklist* and *PRC Initiation Checklist*. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we will reexamine the information and revise the margin calculations, if appropriate.

India

Export Price (EP)

The petitioner calculated one EP based on a price quote for Indian-produced HEDP during the POI obtained from one of its U.S. customers. The petitioner made adjustments to the starting price for U.S. inland freight, ocean freight, and marine insurance charges. The petitioner calculated U.S. inland freight, ocean freight, and marine insurance charges based on price quotes obtained from a freight service provider. See *India Initiation Checklist* for further discussion.

NV Based on CV

With respect to NV, the petitioner states that neither home-market prices nor third-country prices of Indian-produced HEDP were reasonably available. According to the petitioner, it was unsuccessful in obtaining such pricing information, despite its best efforts. See *India* petition at pages 17–18. Therefore, the petitioner based NV on CV.

Pursuant to section 773(e) of the Act, CV consists of the cost of manufacture (COM); selling, general and administrative (SG&A) expenses; packing expenses; and profit. In calculating COM (exclusive of factory overhead) and packing, the petitioner based the quantity of each of the inputs used to manufacture and pack HEDP in India on its own production experience during the POI. The petitioner then multiplied the usage quantities by the value of the inputs used to manufacture and pack HEDP in India based on publicly available data. In calculating factory overhead expenses, SG&A expenses and profit, the petitioner used the financial statements of Excel Industries Limited (Excel), an Indian manufacturer of HEDP. The petitioner used a calculation methodology for purposes of deriving CV in the India petition that is consistent with the calculation methodology used in the PRC petition. We made minor modifications to the petitioner's CV calculation to adjust the values of certain inputs included in COM (*i.e.*, water, hydrochloric acid and phosphorus trichloride), consistent with

Department practice. See the *India* petition at pages 12–18, *India Initiation Checklist*, and “NV” section below for further discussion.

PRC

EP

The petitioner calculated one EP based on a sale for PRC-produced HEDP during the POI. The petitioner made adjustments to the starting price for ocean freight and marine insurance charges. The petitioner calculated ocean freight and marine insurance charges based on an actual price paid for these expenses. The petitioner also made a deduction to the starting price for commission expenses. The petitioner calculated commission expenses based on its own industry knowledge and experience. See *PRC Initiation Checklist* and “Fair Value Comparisons” section below for further discussion.

NV

The petitioner notes that the PRC is a non-market economy country (NME) and that no determination to the contrary has yet been made by the Department. See *PRC* petition, at page 12. The Department has previously examined the PRC's market status and determined that NME status should continue for the PRC. See Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import Administration, regarding The People's Republic of China Status as a Non-Market Economy, dated May 15, 2006 (available online at <http://ia.ita.doc.gov/download/prc-nme-status/prc-nme-status-memo.pdf>). In addition, in recent investigations, the Department has continued to determine that the PRC is an NME country. See *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April 19, 2007); *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).

In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market economy country, in accordance with section 773(c) of the

Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

The petitioner argues that India is the appropriate surrogate country for the PRC because it is at a comparable level of economic development and it is a significant producer of HEDP. See *PRC* Petition at page 12. The petitioner asserts that other potential surrogate countries are not known manufacturers of HEDP. See petition at page 12; *PRC Initiation Checklist*. Based on the information provided by the petitioner, the Department believes that the use of India as a surrogate country is appropriate for purposes of initiation. However, after initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value factors of production within 40 days after the date of publication of the preliminary determination.

The petitioner calculated NV and a dumping margin for the U.S. price, discussed above, using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. The petitioner calculated NV based on its own consumption rates for producing HEDP in 2007. See *PRC Initiation Checklist* and *India Initiation Checklist*. The petitioner states that its production experience is representative of the production process used in the PRC and India because all of the material inputs and processing are unlikely to be materially different for a Chinese or Indian producer of HEDP. See petitions at Exhibit AD–1, Affidavit 3.

The petitioner valued the factors of production based on reasonably available, public surrogate country data, including India statistics from the Export Import Data Bank, Key World Energy Statistics 2003, published by the International Energy Agency, the Gas Authority of India, and the Maharashtra Industrial Development Corporation. See *PRC Initiation Checklist* and *India Initiation Checklist*. Where the petitioner was unable to find input prices contemporaneous with the POI, the petitioner adjusted for inflation using the wholesale price index for India, as published by the Office of the Economic Advisor to India. See petitions at page 16 and Exhibit AD–11. In addition, the petitioner made currency conversions, where necessary,

based on the POI-average rupee/U.S. dollar exchange rate, as reported on the Department's website. See petitions at page 12. The petitioner did not calculate a labor cost for the PRC because it states that the cost is "negligible." *Id.* at page 13.² For purposes of initiation, the Department determines that the surrogate values used by the petitioner are reasonably available and, thus, acceptable for purposes of initiation. However, the Department has made minor modifications, as appropriate, to the surrogate values as calculated by the petitioner (*i.e.*, water, hydrochloric acid and phosphorus trichloride). See *PRC Initiation Checklist*.

The petitioner based factory overhead expenses, SG&A expenses, and profit, on data from Excel for the fiscal year ending March 31, 2007. See petitions at pages 15–16 and Exhibit AD–10. For purposes of initiation, the Department finds the petitioner's use of Excel's financial ratios appropriate.

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of HEDP from India and the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on a comparison of EP and CV, calculated in accordance with section 773(a)(4) of the Act, the revised estimated dumping margin for HEDP from India is 42.74 percent. See *India Initiation Checklist* at Attachment VIII. Based on comparisons of EP to NV, calculated in accordance with section 773(c) of the Act, the revised estimated dumping margin for HEDP from the PRC is 72.42 percent. See *PRC Initiation Checklist* at Attachment V.

Initiation of Antidumping Investigations

Based upon the examination of the petitions on HEDP from India and the PRC, the Department finds that the petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of HEDP from India and the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

² The petitioner did calculate a labor cost for India based on rates obtained from the Department's website.

Respondent Selection for India

For the India investigation, the Department intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports during the POI. We intend to release the CBP data under Administrative Protective Order (APO) to all parties having an APO within five days of publication of this **Federal Register** notice, and make our decision regarding respondent selection within 20 days of publication of this notice. The Department invites comments regarding the CBP data and respondent selection within 10 days of publication of this **Federal Register** notice.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's website at <http://ia.ita.doc.gov/apo>.

Respondent Selection for the PRC

In the PRC investigation, the Department will request quantity and value information from all known exporters and producers identified in the petition. The quantity and value data received from NME exporters/producers will be used as the basis to select the mandatory respondents. The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. See *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation*, 73 FR 10221, 10225 (February 26, 2008); and *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China*, 70 FR 21996, 21999 (April 28, 2005). Appendix I of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters/producers no later than April 29, 2008. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Import Administration website, at <http://ia.ita.doc.gov/ia-highlights-and-news.html>. The Department will send the quantity and value questionnaire to those PRC companies identified in the PRC petition at page 9 and Exhibit AD–3.

Separate Rates

In order to obtain separate-rate status in NME investigations, exporters and producers must submit a separate-rate

status application. See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries (April 5, 2005) (Separate Rates/Combination Rates Bulletin), available on the Department's website at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, available on the Department's website at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of publication of this initiation notice in the **Federal Register**. The separate-rate application will be due by June 9, 2008.

Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate Rates/Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question *and* produced by a firm that supplied the exporter during the period of investigation.

See Separate Rates/Combination Rates Bulletin, at 6.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public versions of the petitions have been provided to the representatives of the Governments of India and the PRC. We will attempt

to provide a copy of the public version of the petitions to the foreign producers/exporters, consistent with 19 CFR 351.203(c)(2).

International Trade Commission Notification

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

Preliminary Determinations by the International Trade Commission

The ITC will preliminarily determine, no later than May 5, 2008, whether there is a reasonable indication that imports of HEDP from India and the PRC are materially injuring, or threatening

material injury to, a U.S. industry. A negative ITC determination with respect to either of the investigations will result in that investigation being terminated; otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: April 8, 2008.

David M. Spooner,
Assistant Secretary for Import Administration.

Appendix I

Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2)

of the Tariff Act of 1930 (as amended) permits us to investigate (1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or (2) exporters and producers accounting for the largest volume and value of the subject merchandise that can reasonably be examined.

In the chart below, please provide the total quantity and total value of all your sales of merchandise covered by the scope of this investigation (see scope section of this notice), produced in the PRC, and exported/shipped to the United States during the period July 1, 2007, through December 31, 2007.

Market	Total Quantity	Terms of Sale	Total Value
United States			
1. Export Price Sales			
2.			
a. Exporter name			
b. Address			
c. Contact			
d. Phone No.			
e. Fax No.			
3. Constructed Export Price Sales			
4. Further Manufactured Sales			
Total Sales			

Please provide the following information for your company. If you believe that you should be treated as a single entity along with other named

exporters, please provide the information requested below both in the aggregate for all named entities in your group and separately for each named

entity. Please label each chart accordingly.

(1) Production

Market:	Total Quantity: (In MT)
Your total production of all merchandise meeting the description of HEDP identified in the "Scope of Investigations" section of this notice, produced during the period of investigation ("POI") (regardless of the ultimate market destination).	

(2)U.S. Sales

Merchandise	Total Quantity: (In MT)	Total Value (\$U.S. ¹)
Merchandise under investigation your company produced and shipped/exported to the United States during the POI.		
Merchandise under investigation exported/shipped to the United States by your company during the POI which was sourced from an unaffiliated supplier or suppliers (i.e., not produced by your company).		
Merchandise under investigation produced by your company but exported/shipped through another PRC company to the United States during the POI.		

¹ Values should be expressed in U.S. dollars. Indicate any exchange rates used and their respective dates and sources.

Total Quantity:

- Please report quantity on a metric ton basis. If any conversions were used, please provide the conversion formula and source.

Terms of Sales:

- Please report all sales on the same terms, such as "free on board" at port of export.

Total Value:

- All sales values should be reported in U.S. dollars. Please provide any exchange rates used and their respective dates and sources.

Export Price Sales:

- Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated customer

occurs before importation into the United States.

- Please include any sales exported by your company directly to the United States.
- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be

resold to the United States.

- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please **do not** include any sales of merchandise manufactured in Hong Kong in your figures.

Constructed Export Price Sales:

- Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated customer occurs after importation. However, if the first sale to the unaffiliated customer is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.
- Please include any sales exported by your company directly to the United States.
- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please **do not** include any sales of merchandise manufactured in Hong Kong in your figures.

Further Manufactured Sales:

- Further manufacture or assembly (including re-packing) sales (“further manufactured sales”) refers to merchandise that undergoes further manufacture or assembly in the United States before being sold to the first unaffiliated customer.
- Further manufacture or assembly costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expense, interest expense, and additional packing expense incurred in the country of further manufacture, as well as all costs involved in moving the product from the U.S. port of entry to the further manufacturer.

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