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MEMORANDUM TO: David M. Spooner
Assistant Secretary
for Import Administration

FROM: Stephen J. Claeys
Deputy Assistant Secretary
for Import Administration

SUBJECT: Issues and Decision Memorandum for the Final Results of the
Administrative Review of the Antidumping Duty Order on Silicon
Metal from Brazil

Summary

The Department of Commerce (the Department) has analyzed comments and rebuttal comments of interested parties in the antidumping duty administrative review of silicon metal from Brazil. As a result of our analysis, we have made changes to the preliminary calculations. We recommend that you approve the positions we have developed 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 parties:

1. Programa de Integracao Social and Contribuicao do Financiamento Social Taxes
2. Per-Unit Cost Calculation
3. General and Administrative Expense/Ratio
4. Financial Expenses
5. Depreciation of Deferred Charges for Restarting Idled Furnaces
6. Depreciation of Idled Assets
7. Taxes Included in Constructed Value

Background

On August 8, 2005, the Department published in the Federal Register the preliminary results of the administrative review of the order on silicon metal from Brazil. See Silicon Metal from Brazil: Preliminary Results of Antidumping Duty Administrative Review, 70 FR 45665 (August 8, 2005) (Preliminary Results). The period of review (POR) is July 1, 2003, through June 30, 2004. We gave interested parties an opportunity to comment on our Preliminary

Results. On November 14, 2005, the petitioner, Globe Metallurgical, submitted a case brief. On December 9, 2005, Camargo Correa Metais (CCM), the respondent, submitted a rebuttal brief. The Department received a request for a public hearing from the petitioner on September 7, 2005. The public hearing was held on January 26, 2006.

Changes in the Margin Calculations Since the Preliminary Results

Based upon verification findings and comments received from interested parties, for the final results, we recommend making the following changes to the margin calculations used in the Preliminary Results of this antidumping review:

1. Based upon the verification of CCM's responses, we made revisions to the calculation of home market net unit price, home market insurance, home market commissions, home market credit expenses and home market indirect selling expenses to re-calculate these prices and expenses using a unit price net of value added taxes (VAT).
2. We adjusted CCM's reported general & administrative expenses (G&A) rate calculation to include a portion of the G&A expenses incurred by CCM's parent company and to include depreciation expense on idled assets.
3. We deducted packing costs from CCM's reported cost of goods sold (COGS) used in the denominator of the G&A and financial expense rates calculations.
4. We disallowed an offset to CCM's reported financial expenses for certain financial income earned by CCM that was not short-term in nature.
5. We disallowed an offset to CCM's reported financial expenses for the interest earned by other companies for which CCM was unable to provide documentation supporting the short-term nature of this income.

PART 1: SALES ISSUES

Comment 1: Programa de Integracao Social and Contribuicao do Financiamento Social Taxes

The petitioner argues that the Department should deduct Programa de Integracao Social (PIS) and Contribuicao do Financiamento Social (COFINS) Taxes from home market prices that are compared to the cost of production (COP). The petitioner notes that, in the preliminary results, the Department only deducted Imposto sobre Operações Relativas à Circulação de Mercadorias (ICMS) taxes from home market prices that were compared to COP. The petitioner states that, at verification, the Department confirmed that CCM excluded PIS and COFINS taxes from its reported COP.

CCM did not comment on this issue.

Department's Position

It is the Department's practice to deduct VAT imposed directly tied on the sale of the foreign like product and included in the sales price, e.g., PIS and COFINS taxes, from home market prices that are compared to COP. See Small Diameter Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Brazil; Preliminary Results of Antidumping Duty Administrative Review, 70 FR 24524, 24526 (May 10, 2005) (where the Department deducted PIS and COFINS taxes from home market prices that were compared to COP figures). We also exclude such taxes from the COP. Therefore, for the final results and in accordance with the Department's practice, we have deducted PIS and COFINS taxes, in addition to the ICMS taxes currently deducted, from CCM's home market prices that are compared to COP.

PART 2: COP ISSUES

Comment 2: Per-Unit Cost Calculation

The petitioner argues that CCM understated the per-unit costs reported to the Department. The petitioner contends that CCM divided the cost of manufacturing (COM) silicon metal ingots incurred during the POR by the quantity of finished silicon metal produced during the POR to calculate the per-unit cost reported to the Department. The petitioner asserts that in order for CCM to produce the reported quantity of finished silicon metal, it would have had to crush a greater quantity of silicon metal ingots than it actually produced during the POR. Therefore, the petitioner contends that a portion of the silicon metal ingots crushed during the POR must have been produced prior to the POR. The petitioner argues that CCM did not include the costs of the silicon metal ingots produced prior to the POR and thus understated its reported costs.

The petitioner states that it is the Department's practice is to base its margin calculations on the actual costs incurred during the period examined. See Notice of Final Determination of Sales at Less Than Fair Value: Live Cattle from Canada, 64 FR 56738, 56754 (October 21, 1999) (Live Cattle from Canada). In order to adjust for this error, the petitioner claims that the Department should re-calculate CCM's per-unit COM by dividing the total ingot manufacturing costs incurred during the POR by the actual quantity of ingots produced during the POR and then increase the per-unit costs to account for yield loss (i.e., which would account for the prior period ingots claimed by the petitioner to be missing from the calculation).

CCM argues that the Department verified that all yield losses were accounted for in the reported net production quantities. Therefore, CCM contends that no adjustment is necessary. CCM states that the yield adjustment is recorded on a daily basis in the production reports when the ingots were weighed, and not when the products were packaged for shipment. CCM states that the amounts recorded on the daily production reports were net production quantities, not

gross production quantities. CCM argues that the petitioner calculated gross production quantities by applying the yield loss to the finished packaged quantities and then incorrectly compared the calculated gross production quantities to the net production quantities reported to the Department. CCM states that this is not an accurate comparison and asserts that the methodology proposed by the petitioner should not be reflected by the Department.

Department's Position

_____ We agree with the petitioner in part. In the costs reported to the Department, CCM only included the production costs incurred during the POR. CCM did not include in the reported costs the cost of silicon metal ingots that were in production (*i.e.*, work in process inventory) at the beginning of the POR, nor did it deduct the cost of silicon metal ingots that were still in production at the end of the POR. We note that section 773(b)(3) does not direct the Department to use the COGS, but rather, the cost of production. See *Live Cattle from Canada*. The Department's general policy is to use the cost of the merchandise that was produced during the POR. In accordance with section 773(b)(3) of the Act, we calculate average costs of "producing the foreign like product, during a period which would ordinarily permit the production of that foreign like product in the ordinary course of business." Consistent with this provision, we normally require respondents to report the cost of producing the foreign like product that was produced during the POR (*i.e.*, the cost to produce the merchandise during the period excluding the change in work in process inventory). Therefore, for the final results, we have added the beginning inventory of the work in process and subtracted the ending inventory of the work in process from the reported costs.

However, we agree with CCM that it reported to the Department the total quantities of the finished goods produced during the POR. At the cost verification, the Department found that CCM recorded the yielded weight of the finished product in its books on a daily basis. The amount of total finished goods produced that was reported to the Department was the total production calculated after CCM had applied its yield loss from the daily reports; thus CCM used the smaller net amount. The production quantities reported in cost verification exhibit (CVE) 10 were the net production quantities of finished goods that included CCM's adjustment for the yield loss. See Memorandum from Michael P. Harrison and Joseph Welton to The File Regarding "Verification of the Cost Response of Camargo Corrêa Metais S.A. in the Antidumping Review of Silicon Metal from Brazil" (October 21, 2005) (Cost Verification Report) page 23.

Comment 3: General and Administrative Expense/Ratio

The petitioner argues that the Department should include an allocated portion of the G&A expenses of CCM's parent company in the calculation of CCM's G&A expense ratio. The petitioner contends that CCM's parent company, Camargo Corrêa S.A. (CCSA), is a holding company that provided administrative services to CCM and the other companies of the consolidated Camargo Corrêa Group during the POR. The petitioner claims the Department

must allocate a portion of a parent holding company's total G&A expenses to the respondent in order to capture the full cost incurred to produce the merchandise under review. See Notice of Final Result of New Shipper Review of the Antidumping Duty Order on Certain Pasta from Italy, 69 FR 18869 (April 9, 2004) (Pasta from Italy).

In addition, the petitioner states that CCM included packing expenses in the COGS used as the denominator of the G&A expense ratio. The petitioner argues that because packing expenses were not included in the COM reported to the Department, the Department should deduct packing expenses from the denominator of the G&A expense ratio.

CCM states that the Department correctly calculated CCM's G&A expense rate in the Preliminary Results by including the cost of CCSA's services that were directly invoiced to and paid by CCM. CCM states that it is the Department's practice to include an allocated portion of the parent company's G&A expense to the subsidiary's cost where (1) the parent company provides services to its subsidiaries, and (2) the affiliate is not invoiced directly for those services. See Notice of Final Results of Antidumping Duty Administrative Review: Carbon and Certain Steel Alloy Wire Rod from Mexico, 70 FR 25,809 (May 16, 2005) and accompanying Issues and Decision Memorandum at Comment 11 (Wire Rod from Mexico). CCM argues that it reimbursed CCSA for all of the services that it received during the POR. CCM contends that there is no evidence on the record to indicate that it received any services from CCSA for which it was not invoiced directly. Therefore, CCM argues that no adjustment to its G&A expense rate is necessary.

Department's Position

We agree with the petitioner that a portion of CCSA's G&A expenses should be included in CCM's G&A expense rate calculation and that packing should be deducted from the COGS used to calculate the G&A expense rate. For calculating G&A, the Department requires a respondent to report not only its own G&A expenses, but also the share of its parent's G&A expense incurred on the reporting entity's behalf, even when not directly invoiced by the parent. See Pasta from Italy and accompanying Issues and Decision memorandum at Comment 6.

It is clear from CCSA's 2003 audited consolidated financial statements that CCSA is a holding company whose main function is to manage its subsidiaries. The first footnote in CCSA's December 31, 2003, consolidated audited financial statements states "Camargo Corrêa S.A. is primarily engaged in the management of the Camargo Corrêa Group companies, covering strategies and operations including: coordinating the human, technical and financial resources of the subsidiaries; participating in the planning of strategies for jointly-owned subsidiaries; and developing new businesses." As such, all of CCSA's administrative expenses relate to its primary business operations, which is the management of its subsidiaries. Therefore, its G&A expenses should be allocated to all such companies in the Camargo Corrêa Group, including CCM. Since CCM was invoiced for a portion of the direct administrative services it received from CCSA, we reduced the amount of CCSA's G&A allocated to CCM by the amount already

recorded by CCM.

We have also removed CCM's packing cost from COGS used in the denominator of the G&A expense ratio. It is the Department's normal practice to exclude packing expenses from its G&A expense ratio calculation to ensure that the denominator and the amount to which it is applied are on the same basis. See *Stainless Steel Sheet and Strip in Coils from Mexico: Notice of Final Results of Antidumping Duty Administrative Review*, 70 FR 73444 (December 12, 2005), and accompanying Issues and Decision Memorandum, at Comment 7.

Comment 4: Financial Expenses

The petitioner claims that CCM did not provide documentation to substantiate the entire amount of the short-term interest income offset it deducted when calculating its financial expense rate. The petitioner states that interest income earned on short-term investments is associated with working capital, and is therefore an appropriate offset to financial expenses. However, according to petitioner, interest income from long-term sources is associated with investing activities, not production activities, and is not an appropriate offset. Because CCM did not substantiate its entire interest income amount, the petitioner argues that the Department should not allow an offset for the unsubstantiated interest income amounts. Furthermore, the petitioner asserts that the respondent bears the burden of demonstrating entitlement to the interest income offset. See *Pasta from Italy* and accompanying Issues and Decision Memorandum at Comment 4.

Specifically, the petitioner argues that the Department should not allow the offset for the claimed short-term financial income from marketable securities. The petitioner states that in previous cases the Department has only allowed an offset for short-term interest earned on marketable securities if the respondent demonstrated that the earnings on the securities constituted short-term interest income and were related to the ordinary operations of a company. See *Notice of Final Results of Antidumping Duty Administrative Review: Low Enriched Uranium from France*, 70 FR 54359 (September 14, 2005) and accompanying Issues and Decision Memorandum at Comment 10. The petitioner states that CCM only provided documentation relating to its own portion of the claimed offset for short-term financial income earned from marketable securities recorded on CCSA's books. The petitioner contends that the documentation that CCM provided was for only a small fraction of the total consolidated group's claimed offset for short-term financial income earned from marketable securities and does not substantiate the claimed short-term nature of the financial income of the other companies in the CCSA group. The petitioner points out that there is no other evidence on the record demonstrating that the financial income from marketable securities earned by the other consolidated companies in the CCSA group was earned from investments with short-term maturities and, therefore, the offset should not be allowed.

Furthermore, the petitioner argues that the documentation CCM provided for its own interest from investments in marketable securities did not prove that the income earned was interest income or from assets with short-term maturities. The petitioner argues that there is

nothing in the record evidence to demonstrate that the investments earning income have short-term maturities. Therefore, the petitioner argues that the offset to financial expenses for CCM's financial income earned from marketable securities should not be allowed.

CCM states that its interest on marketable securities was classified as short-term in CCSA's audited consolidated financial statements and, therefore, should be allowed as a financial expense rate offset. Regarding CCSA's marketable securities, CCM contends that it should not be faulted for its inability to provide detailed backup documentation for its numerous affiliated companies within the CCSA consolidated group. CCM asserts that the entire offset for short-term interest income should be allowed. CCM argues that, at verification, the Department reviewed CCM's supporting documentation on interest on marketable securities and confirmed that it was short-term in nature. According to CCM, the entire offset should be allowed because the Department confirmed the accuracy of the classification in the audited financial statements as short-term.

Department's Position

We agree with petitioner that CCM's income on long-term investments should not offset its financial expenses. We also agree with the petitioner and have continued to disallow the offset to financial expenses for the income from marketable securities for the other entities in the CCSA consolidated group other than CCM, as this income has not been demonstrated to be short-term in nature. However, we have allowed an offset to financial expenses for CCM's own income from marketable securities, which we reviewed at verification and found to be short-term in nature.

It is the Department's practice to exclude income from long-term financial assets because such income is related to investing activities and is not associated with the general operations of the company. See Pasta from Italy and accompanying Issues and Decision memorandum at Comment 4. The burden of proof to substantiate the legitimacy of a claimed adjustment falls on the respondent party making that claim. Id.

In the Preliminary Results, certain income from long-term loans and other long-term investments was included in the amount of short-term financial income used to offset financial expenses. Because this income is long-term in nature, we have excluded it from the offset to financial expense for the final results.

With regard to financial income from marketable securities received by other entities within the CCSA consolidated group, CCM did not meet its burden of proof because it did not provide documentation adequate to support the claim that such income is short-term in nature and should be an offset to financial expenses. We disagree with CCM's contention that the financial statements provided clearly present this income as short-term income. Indeed, the financial statements identify an amount for the "financial income" of the consolidated companies which does not segregate long-term and short-term income. CCM provided a worksheet

separating this financial income into income from “marketable securities” and other financial income. See CVE 28. CCM provided no additional documentation, however, to support its contentions that the marketable securities are short-term in nature and that income from these assets should offset financial expenses. The footnotes to CCSA’s audited consolidated financial statements identify the marketable securities as “investment fund quotas recorded at fair values, bank certificates of deposit (CDBs), forward electric energy certificates, debentures, national treasury notes, notes receivable and investments in Alcoa shares.” It is not apparent from this description whether some or all of these investments should be considered short-term in nature. Indeed, some of these securities appear to be long-term investments that earned long-term interest which should not be allowed as an offset to financial expenses.

The Department requested supporting documentation for the entire amount of the short-term interest expense deduction, in its December 7, 2004, supplemental questionnaire at question 26; its February 5, 2005, supplemental questionnaire at question 20; its June 2, 2005, supplemental questionnaire at question 15; and finally at the cost verification. See the Cost Verification Report at page 36. At the cost verification, CCM provided documentation to substantiate that its own interest from marketable securities was short-term in nature, but was not able to substantiate that the interest income received from the other entities in the CCSA consolidated group was similarly short-term in nature. We have, therefore, disallowed CCM’s investment income offset from the other entities in the CCSA consolidated group in the financial expense calculation. As noted above, we have allowed CCM to use its own interest income from marketable securities as an offset in the financial expense calculation because CCM demonstrated that this interest income is short-term in nature.

Comment 5: Depreciation of Deferred Charges for Restarting Idled Furnaces

The petitioner argues that because the costs associated with the overhaul of two furnaces are not being depreciated, and because CCM’s normal books and records do not reasonably reflect the costs associated with the production of silicon metal, the Department is required to make adjustments to arrive at more accurate costs. See Notice of Final Determination of Sales at Less Than Fair Value: Bottle-Grade Polyethylene Terephthalate Resin from Thailand, 70 FR 13,453 (March 21, 2005) and accompanying Issues and Decision Memorandum at Comment 2. Furthermore, the petitioner argues that the Department should use facts available to determine the amount of depreciation to include in CCM’s reported costs because CCM failed to provide the Department with the information on the furnace overhaul costs in the form and manner in which it was requested.

The petitioner states that CCSA’s 2003 Annual Report shows that CCM invested 16 million reais to upgrade two idled furnaces that were restarted in 2003. The petitioner argues that CCM did not include any of the costs incurred to overhaul and restart its two furnaces in its reported COM. The petitioner contends that the evidence on the record does not fully account for the investment reported in CCSA’s 2003 Annual Report. The petitioner points out that the footnotes to CCM’s 2003 financial statements indicate that the deferred items related to the

overhaul of the furnaces and the new dust removal system were not depreciated.

CCM states that all depreciation expenses on the deferred charges for restarting the idled furnaces were included in the costs reported to the Department. The respondent contends that at verification the Department tied the reported depreciation expense to CCM's books and records and tied selected fixed asset and deferred charge additions to the fixed asset ledger. Therefore, CCM asserts that no adjustment is necessary.

Department's Position

We agree with CCM that all of the depreciation expenses related to the restarting of the idled furnaces were included in the costs reported to the Department. As the petitioner points out, CCSA's Annual Report states that the consolidated group invested 16 million reais in restarting two idled furnaces. At the cost verification, the Department identified costs in CCM's audited financial statements that were related to the restarting of idled furnaces, purchase of industrial equipment, reforestation, information technology hardware, and vehicles. According to CCM's audited financial statements, those were the only expenditures made by CCM on depreciable assets in 2003. At the cost verification, the Department traced CCM's depreciation expense from its audited financial statements to the general ledger and to the fixed asset trial balance. See the Cost Verification Report at page 26. In the fixed asset ledger, the Department identified the overhauled furnaces, the furnace filter, and other assets related to the furnace overhaul. In the Cost Verification Report, the Department noted that CCM reported depreciation expenses on the overhauled furnaces during the period they were idled and it began depreciating the other assets in the months they were placed in service. Therefore, we find that no additional adjustment is necessary.

Comment 6: Depreciation of Idled Assets

The petitioner states that CCM did not include in its reported costs depreciation expenses on idled assets during the POR. The petitioner argues that it is the Department's longstanding practice to include depreciation on idle assets in the calculation of COP and constructed value (CV). See Certain Preserved Mushrooms from India: Final Results of Antidumping Duty Administrative Review, 68 FR 41,303 (July 11, 2003) and accompanying Issues and Decision Memorandum at Comment 10 (Mushrooms from India). Therefore, the petitioner contends that the Department should use the information on the record to calculate the depreciation CCM would have recorded on its idled assets if it had depreciated them during the POR.

CCM argues that the Department should not add depreciation for the idled assets because all of the assets were categorized as obsolete assets in CCM's records and not as idled assets. CCM contends that idled assets still have an expected useful life but are not currently in operation, whereas, obsolete assets have no remaining useful life. CCM points out that it included depreciation on its idled furnaces even though no depreciation was recorded under

Brazilian Generally Accepted Accounting Principles (GAAP). CCM states that the petitioner's reference to Mushrooms from India is misleading. CCM asserts that the International Accounting Standards (IAS) only states that the asset value should be either written down or written off if an asset is impaired or no longer in active service. CCM argues that in the current case, the costs of the obsolete assets were fully allocated over the asset's expected useful life and no additional adjustment should be made.

Department's Position

We agree with the petitioner and have included the depreciation expense on the idled assets in the calculation of CCM's G&A expense rate calculation. Section 773(f)(1) of the Act provides that costs shall normally be calculated based on the records of the exporter or producer of the merchandise, if such records are kept in accordance with the GAAP of the exporting country and reasonably reflect the costs associated with the production and sale of the merchandise. In this case, CCM's normal books and records do not reasonably reflect the depreciation expenses that relate to the company's operations as a whole. Because of technological advances and normal deterioration, fixed assets lose value over time regardless of whether they are idle or in active service, and to recognize no costs associated with these assets fails to recognize this fact. Therefore, to recognize no depreciation expense on idled or obsolete assets results in per-unit costs that do not reasonably reflect the costs associated with the production and sale of the merchandise under review. According to IAS 16, if an asset is impaired or no longer in active service, then the asset value should be either written-down or written-off. Otherwise, IAS 16 states, "(w)hatever the method of depreciation chosen, it must result in a systematic and rational allocation of the cost of an asset . . . over the asset's expected useful life." See Mushrooms from India, and accompanying Issues and Decision memorandum at Comment 10. During the productive cycle, the capitalized expenses associated with fixed assets are absorbed by the merchandise those assets produce, however, once the assets are decommissioned, the company as a whole has to bear the expenses associated with any remaining balance and disposal costs because the assets are no longer productive. See Pasta from Italy and accompanying Issues and Decision memorandum at Comment 3.

In the current case, the idled or obsolete assets were not in operation but were still capitalized on CCM's balance sheet during the POR. We disagree that the cost of the assets were allocated over the assets' useful life. The assets had a remaining book value capitalized on CCM's balance sheet, therefore, all of the costs associated with these assets were not allocated over its useful life. Because the company as a whole has to bear the depreciation expenses associated with those assets, we estimated an amount of depreciation for the idled assets and included it in the G&A expense rate calculation.

Comment 7: Taxes Included in Constructed Value

The petitioner states that the Department should include the total ICMS, IPI, PIS and COFINS taxes paid on inputs consumed during the POR in the calculation of CV. The petitioner

argues that a home market tax imposed on materials used to manufacture an exported product constitutes an actual cost of producing the exported merchandise and must be included in CV, unless such tax is either not imposed on inputs for merchandise destined for export or is rebated upon the exportation of that merchandise. The petitioner points out that in the current case, the ICMS, IPI, PIS and COFINS taxes were paid on inputs, regardless of whether the final product was sold domestically or exported, and the tax was not refunded upon the exportation of that merchandise. The petitioner references a Court of International Trade (CIT) decision where the court stated that where the VAT paid was not remitted or refunded upon exportation of the subject merchandise, the Department is required to include the full amount of the taxes in the calculation of CV. See Elkem Metals Company v. United States, Court No. 02-00232, slip op. 04-145, at 11 (November 16, 2004) (Elkem Metals). Finally, the petitioner states that even though CCM did apply for a refund of the VAT taxes during the POR, it did not recover those taxes until after the POR, through the use of credits to pay for other taxes, and therefore, the full amount of those taxes paid should be included in the calculation of CV.

The respondent contends that in the current case this issue is moot because CV is not used as a basis for the comparison to the U.S. price. The respondent states that the ruling in Elkem Metals is currently under appeal and has not been settled by the courts. The respondent argues that the Department should continue to follow its practice reflected in the recent administrative proceedings which is to include in CV only the portion of the VAT that was not recovered through corresponding offsets. Finally, the respondent argues that to ensure a neutral tax calculation, the Department should deduct the ICMS taxes that it paid on auxiliary maintenance, security and laboratory materials.

Department's Position

In the current case, the Department is comparing the home market price to the U.S. price to calculate the dumping margin. We do not, therefore, have to calculate CV as part of the dumping margin calculation. Accordingly, the issue raised by the petitioner's case brief is not relevant in this case.

We note that the issue of deducting ICMS taxes was not raised by the petitioner in its affirmative case brief, and respondent chose not to submit a case brief; therefore, this untimely new argument cannot be raised in the respondent's rebuttal briefs. Even if the issue had been raised in a timely fashion, we would not deduct the ICMS taxes related to auxiliary maintenance, security, and laboratory materials from CCM's reported COM. We requested supporting documentation concerning the ICMS taxes paid on auxiliary maintenance, security, and laboratory materials in the December 7, 2004, supplemental questionnaire at question 5; the February 5, 2005, supplemental questionnaire at question 6; and in the March 11, 2005, supplemental questionnaire at question 5. In each instance, CCM failed to provide the specific amounts of ICMS taxes paid on its auxiliary maintenance, security, and laboratory materials. While CCM requested that the Department look at the information at the cost verification, the time to submit new factual information had passed and it was not accepted by the Department.

Therefore, even if this issue were properly before the Department, the information that would be necessary to establish that such an adjustment is appropriate is not on the record.

Recommendation

Based on our analysis of the comments received, we recommend adopting the positions described above. If this recommendation is accepted, we will publish the final results of review and the final weighted-average dumping margin in the Federal Register.

Agree _____ Disagree _____

David M. Spooner
Assistant Secretary
for Import Administration

Date