



HUNTON & WILLIAMS LLP
1900 K STREET, N.W.
WASHINGTON, D.C. 20006-1109

TEL 202 • 955 • 1500
FAX 202 • 778 • 2201

WILLIAM SILVERMAN
DIRECT DIAL: 202-419-2013
EMAIL: wsilverman@hunton.com

FILE NO: 99999.000309

June 1, 2004

PUBLIC DOCUMENT

By Hand

James J. Jochum
Assistant Secretary for Import Administration
Central Records Unit, Room 1870
U.S. Department of Commerce
Pennsylvania Avenue at 14th Street, N.W.
Washington, D.C. 20230

Re: Separate Rates Practice in Antidumping Proceedings Involving Non-Market Economy Countries

Dear Assistant Secretary Jochum:

On behalf of the Chinese Furniture Industry Antidumping Response Coalition (the “Coalition”), we hereby file comments pursuant to the Department’s May 3, 2004 notice Separate Rates Practice in Antidumping Proceedings Involving Non-Market Economy Countries, 69 Fed. Reg. 24119 (Dept. Comm., May 3, 2004). The Coalition consists of various companies currently participating in the antidumping investigation covering Wooden Bedroom Furniture from the People’s Republic of China.¹

¹ The members of the Coalition are as follows: Clearwise Company Limited and Dongguan Yingkee Safe & Furniture Manufactory Co., Ltd.; Strongson Furniture (Shenzhen) Co., Ltd., Strongson Furniture Co., Ltd. and Strongson (HK) Company; Dongguan Hung Sheng Artware Products Co., Ltd. and Coronal Enterprise Co., Ltd.; Zhongshan Fookyik Furniture Co., Ltd., Fookyik Furniture Company Limited and Fookyik Trading; Dongguan Liaobushangdun Huada Furniture Factory and Great Rich (HK) Enterprises Company Limited; U-Rich Furniture (Zhangzhou) Co., Ltd. and & U-Rich Furniture Ltd.; Teamway Furniture (Dong Guan) Ltd. and Brittomart Incorporated; Billy Wood Industrial (Dong Guan) Co., Ltd., Great Union Industrial (Dong Guan) Co., Ltd. and Time Faith Limited; Dongguan
(continued...)

James J. Jochum
June 1, 2004
Page 2

EXECUTIVE SUMMARY

The Coalition believes that the Department would resolve most, if not all, the difficulties it currently faces in granting separate rates by simply changing its practice of presuming that the export activities of companies operating in countries the Department deems “non-market economies” are subject to government control. Reversing the presumption (that is, by presuming that such companies do indeed operate free of government control) is supported by the Department’s own voluminous findings over many years, and can be accomplished in such a way as to avoid denying U.S. petitioning industries their right to challenge that presumption.

The Coalition believes that, should the Department nevertheless decide not to alter its current stance of presuming government control, many of the possible modifications to its separate rates practice cannot feasibly be implemented with respect to investigations that are already underway.

Cambridge Furniture Co., Ltd. and Glory Oceanic Company Limited; Dongguan Creation Furniture Co., Ltd. & Creation Industries Company Limited; Link Silver Ltd (V.I.B), Forward Win Enterprises Company Limited, and Dongguan Haoshun Furniture Limited; Dongguan Chunsan Wood Products Co., Ltd. and Trendex Industries Limited; Dongguan Hero Way Woodwork Co., Ltd., Hero Way Enterprises Limited, Dongguan Da Zhong Woodwork Co., Ltd., and Well Earth International Limited; Tianjin Fortune Furniture Co., Ltd.; Jardine Enterprise Ltd.; Green River Wood (Dongguan) Ltd.; King's Way Furniture Industries Co., Ltd. and Kingsyear Limited; Tarzan Furniture Industries Ltd. and Samso Industries Ltd.; Passwell Corporation and Pleasant Wave Limited; and Tube-Smith Enterprise (Zhangzhou) Co., Ltd., Tube-Smith Enterprise (Haimen) Co., Ltd., and Billonworth Enterprises Limited;

James J. Jochum
June 1, 2004
Page 3

The Coalition also suggests that the Department could ease some of its administrative burden (and the burden current facing respondents) by creating a special office within Import Administration dedicated to the evaluation of the separate rates standards.

Finally, the Coalition recommends simplification of the current requirement that companies seeking a separate rate respond to Section A of the questionnaire in its entirety. Specifically, there are many questions contained therein that have absolutely no relation to any analysis of whether a company's export activities are subject to government control, either on a *de jure* or *de facto* basis.

INTRODUCTION

The Coalition appreciates the opportunity granted by the Department to comment on its separate rates practices. As a preliminary matter, the Coalition notes that the Department's standard practice of significantly limiting the number of respondents in investigations, such as wooden bedroom furniture, for industries with a broad array of participating exporters, means that it is all the more crucial to ensure that exporters are not unfairly kept from the U.S. market.²

² Questions 5 and 6 of the Department's May 3 memo, suggesting a restriction to access to the rate category applied to Section A respondents and non-investigated respondents providing full questionnaire responses, would be unfair and not in accordance with the law. The Courts have consistently upheld the Department's determination to assign selected respondents' average margins to non-selected respondents. See, e.g., Coalition For The Pres. of American Brake Drum And Rotor Aftermarket Manufacturers vs. United States, 44 F. Supp. 2d 229, 53, 61-62 (Ct. Intl. Trade 1999). Moreover, the Court has held that "it would be inequitable if Commerce

(continued...)

James J. Jochum
June 1, 2004
Page 4

While the problem of investigating all exporters exists in any case, regardless of the foreign country's designation as non-market or market-based, exporters in countries designated as market economies currently face only the "all other's" rate. That rate, of course, is an average (excluding *de minimis* margins and those based on facts available) of the companies that are investigated.

While still arguably unfair because it is not based on a company's own sales, at least the all other's rate does not usually place non-investigated companies at a severe disadvantage relative to their competitors from the same country, and often that all other's rate, while still burdensome, is not prohibitive.

In contrast, the Department's practice for countries designated as non-market economies such as the People's Republic of China is doubly dissuasive to exporters. The Department's current practice is especially unfair in "NME" cases because exporters have to participate in the investigation *just to become eligible for essentially the same all other's rate to which exporters in market economy proceedings are entitled*. If an exporter is not selected, it cannot simply follow the process from the sidelines: such inaction currently would lead to the application of the feared "China-wide" dumping margin, as the company is presumed "guilty" of being controlled by the government. That country-wide rate is almost invariably prohibitive, as it is normally based on questionable numbers provided by the U.S. petitioning industry and almost never reflects the

were to assign an adverse facts available rate to these Respondents." *Id.* (citing to Nat'l. Knitwear & Sportswear Assoc. v. United States, 15 C.I.T. 548, 558, 779 F. Supp. 1364, 1372-73 (1991) (holding that the application of a punitive, or even quasi-punitive, rate to innocent parties would be contrary to the intent that the antidumping law be remedial)).

James J. Jochum
June 1, 2004
Page 5

margins of dumping actually found for companies actually investigated. Moreover, unlike the “all others” rate which is determined in the investigation, the country-wide rate is subject to change after the investigation and from review to review. It is time for the Department to reconsider the unfairness inherent in NME cases.

ARGUMENT

1. The Department Should Abandon its Practice of Presuming Government Control of Companies Unless Companies Demonstrate that they Operate, on a De Jure and De Facto Basis, Free of Such Control.

Since 1991, the Department’s standard policy has been “to assign all exporters of the merchandise subject to review in nonmarket economy (“NME”) countries a single rate unless an exporter can demonstrate an absence of government control, both in law and in fact, with respect to exports.”³ See, e.g., Bulk Aspirin From the People's Republic of China: Preliminary Results of 2002/2003 Antidumping Duty Administrative Review and Notice of Intent To Revoke Order in Part, 69 FR 18520 (April 8, 2004). If companies fail to demonstrate the absence of such control, they are inevitably assigned the “China-wide” rate, which is almost invariably a prohibitively high rate obtained from the antidumping duty petition in the original less than fair value

³ Prior to 1991, it was the Department’s practice to issue separate rates for all reviewed companies. The Department issued an “all others” rate for companies that were not reviewed. See, e.g., Tapered Roller Bearings From the People’s Republic of China; Final Determination of Sales at Less Than Fair Value, 52 FR 19748 (May 27, 1987).

James J. Jochum
June 1, 2004
Page 6

("LTFV") investigation. It is precisely this high "China-wide" rate that motivates the many companies cited by the Department in its May 3 notice in the current investigations involving wooden bedroom furniture and shrimp from China to file Section A responses that would enable them to obtain the rate based on the weighted average of the non-zero, non-*de minimis*, non-adverse rates. In one of the earlier cases before the Court of International Trade to address the Department's then newly-established policy of calculating a "China-wide" rate rather than an "all others" rate, the Court foresaw that the Department's new policy would lead to the problems that the Department is currently experiencing in the wooden bedroom furniture and shrimp from China investigations. The Court explained that the separate rates policy proposed by the Department (which remains in effect today) would force unreviewed non-state-controlled NME entities "to seek review to avoid a potentially higher PRC cash deposit rate..." and "would have the effect of increasing the number and complexity of administrative reviews, thereby defeating the express purpose of the 1984 amendment to 19. U.S.C. § 1675(a)." UCF America Inc. and Universal Automotive Co., Ltd. vs. United States, 919 F. Supp 435, 441 (Ct. Int'l Trade 1996).

The Department could resolve the entire problem by simply changing the presumption regarding government control: that is, rather than presuming that the companies are controlled by the government, the Department should simply consider, as a rebuttable presumption, that Chinese exporters are free of governmental control. By allowing the presumption to be rebutted, U.S. domestic industries would not be deprived of the opportunity to pursue individual companies that they believe to operate under the control of the Chinese government: the relevant petitioning

James J. Jochum
June 1, 2004
Page 7

industries could always present an allegation, based on documented evidence, that individual companies are not conducting their export activities free from government control. Moreover, by retaining a rebuttable presumption, the Department's current regulation 351.107(b) ("Rates in antidumping proceedings involving nonmarket economy countries") would not require any alteration.

A. A Large Body of Departmental Decisions Supports The Presumption That Chinese Exporters Operate Freely

The strongest argument in support of the adoption by the Department of an affirmative presumption of freedom from governmental control of export activities rests on the accumulated determinations of the Department of Commerce over many years, across dozens of industries, and hundreds of companies.

A review of all of the determinations available on Import Administration's website, dating back to July 1995, shows that, for every final determination and final results of review except two⁴, covering approximately 50 industries, 35 investigations and 87 administrative reviews, and 442 segment-specific company determinations (including 197 in investigations, where many

⁴ The two determinations where separate rates were not granted were with respect to *Industrial Nitrocellulose* and *Brake Drums and Rotors*, where a total of three companies were not granted separate rates because evidence on the record revealed they were related to NORINCO, a "national corporation" found to be "under the control of PRC's State Council." See Industrial Nitrocellulose From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 62 FR 65672 (December 15, 1997); and Notice of Final Determinations of Sales at Less Than Fair Value: Brake Drums and Brake Rotors From the People's Republic of China, 62 FR 9160, 9166 (February 28, 1997).

James J. Jochum
June 1, 2004
Page 8

companies are mandatory respondents), the Department found that the companies operated free from government control with respect to export activities and were thus entitled to a separate rate.⁵

The only reasonable conclusion to be drawn from this extensive record is that, except in the extremely rare instance where a company was owned by a national corporation, Chinese companies' export activities operate free from government control, on both a *de jure* and *de facto* basis. This large body of work represents *prima facie* evidence that China's export industries operate freely. There is no self-selection skewing these results, either. It should go without saying that no company wishes to participate in a time-consuming and costly proceeding unless it is absolutely necessary to the company's business. Still, it is noteworthy that many of the companies subject to investigation were forced to participate (*i.e.*, through selection as mandatory respondents), or else face prohibitive tariffs. Moreover, in many administrative reviews, companies were forced to participate because petitioners had requested the review. Finally, even in those cases where the companies themselves requested the review, they were still required to demonstrate their entitlement to a separate rate or else face the prohibitive "China-wide" rate.

⁵ Note that this discussion excludes those company-specific determinations based on adverse facts available, such as where companies chose not to participate in the investigation or review altogether. Obviously, based on the Department's requirement to date that the burden of proof rests with responding companies to demonstrate entitlement to a separate rate, failure to provide any record information whatsoever has invariably led to a determination that the companies failing to respond have not met that burden of proof.

James J. Jochum
June 1, 2004
Page 9

Elimination of the affirmative requirement that companies demonstrate entitlement to a separate rate would have a significant, positive impact on the Department's practices:

- The Department would not need to issue a country-wide rate unless it was proven that a company or companies are in law or in fact subject to government control. Elimination of the country-wide rate would result in fewer administrative review requests for those cases where the weighted-average "all other's" rate is applied to companies that were not chosen to participate in the investigation;
- The Department would not need to separately analyze non-mandatory companies in any investigation absent a documented allegation from petitioners that such companies were Government-controlled. This would significantly reduce the burden currently facing the Department in many NME investigations, such as the wooden bedroom furniture and shrimp investigations where the Department currently must evaluate well over 200 Section A responses. Indeed, the Department's "lack of resources" to evaluate the "increasing number" of separate rate requestors was expressly noted in the Department's May 3 notice as a reason for the Department's move to reconsider its current separate rates practices.
- Adoption of this new policy would protect the U.S. Government from claims of protectionism (which in fact have already been raised by certain groups concerned with the ultimate direction being considered by the Department. See, e.g., "*CITAC Criticizes Commerce Proposal To Change Dumping Methodology for NMEs*," International Trade

James J. Jochum
June 1, 2004
Page 10

Reporter, Volume 21, Number 21, (BNA Inc., May 20, 2004) and the potential of WTO litigation that would likely arise out of any policy making it more likely that companies will to be subject to the normally prohibitive “country-wide” rate, even while being deprived of the opportunity to participate in a proceeding.

B. Elimination of the Presumption of Government Control Would Represent the Logical Progression of the Department’s Practice

As part of the process of developing its current regulations, the Department expressly considered comments regarding the presumption that a single rate will be applied in NME cases.

One commenter’s position was summarized as follows:

In discussing the People's Republic of China (“PRC”), this commenter pointed to the reforms that have been instituted in the PRC economy, claiming that the underlying premise of the presumption--that the central government controls exporters--is erroneous. According to the commenter, the Department's experience in administering the presumption confirms this conclusion, because in virtually every case since the Department instituted the presumption, individual PRC producers have been able to demonstrate that they are entitled to their own rates. Consequently, this commenter argued, the Department should abandon the presumption of a single NME-wide rate, and non-investigated exporters in an NME should receive an all-others rate.

See Antidumping Duties; Countervailing Duties; Final Rule, 62 Fed. Reg. 27295-27424, 27304 (Dept. Comm., May 19, 1997). The Department, while ultimately deciding against that commenter’s position, stated:

As in the proposed regulations, we have refrained from codifying the presumption of a single rate in NME AD cases. Nor have we adopted a modified version of the presumption. We appreciate the many thoughtful comments that we received on this topic. However, because of the changing conditions in those NME countries most frequently subject to AD proceedings, we do not believe it is appropriate to

James J. Jochum

June 1, 2004

Page 11

promulgate the presumption or the separate rates test in these regulations. *Instead, we intend to continue developing our policy in this area,* and the comments that were submitted will help us in that process. {emphasis added}

See id. The Coalition respectfully suggests that now is the time for the Department to affirmatively develop its policy with regard to the “single rate” presumption. Since the promulgation of the current regulations, there have been *seven years’ worth* of additional cases that, at least in the case of China, provide significant additional weight to the above-cited commenter’s observation that “in virtually every case since the Department instituted the presumption, individual PRC producers have been able to demonstrate that they are entitled to their own rates.” In these intervening years, there has been no indication, despite the intense scrutiny of the Department on a continuous basis through dozens of cases, that any new Chinese laws have been passed that increase the likelihood of government control.⁶ This fact constitutes significant evidence that the Government of China has no intention of increasing its ability to control its export industries. Moreover, the Department’s *de facto* analyses have shown time and again that the Government of China does not act to control export-oriented companies on a *de*

⁶ In fact, the Department continues to regularly cite, in its discussion of *de jure* control, PRC laws that predate the Department’s 1997 regulations. See, e.g., Brake Rotors From the People’s Republic of China: Preliminary Results and Partial Rescission of the Sixth Administrative Review and Preliminary Results and Final Partial Rescission of the Ninth New Shipper Review, 69 Fed. Reg. 10402 (Dept. Comm., March 5, 2004), in which the Department cited to the “Regulations of the PRC for Controlling the Registration of Enterprises as Legal Persons,” promulgated on June 3, 1988; the 1990 “Regulations Governing the Rural Collective Owned Enterprises of the PRC”; and the 1994 “Foreign Trade Law of the People’s Republic of China.”

James J. Jochum
June 1, 2004
Page 12

facto basis. While the Coalition does not presume to speak to the situation with respect to other countries designated as non-market economies, the evidence with respect to China is overwhelming, and the Coalition encourages the Department to find that, with respect to China, a presumption of governmental control is no longer required.⁷

C. *A Determination to Presume Separate Rates are Warranted Would Place the U.S. Government Squarely in Conformity with its WTO Obligations*

Under section 6.10 of the WTO Antidumping Agreement, the administering authority should calculate an individual dumping margin for every company under investigation.

Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade

1994, ¶ 6.10, reprinted in H.R. Doc. 103-316, v. 1, at 1462. Moreover, Section 9.4 of the WTO

Agreement further notes that:

When the authorities have limited their examination in accordance with the second sentence of paragraph 10 of Article 6, any anti-dumping duty applied to imports from exporters or producers not included in the examination shall not exceed:

(i) the weighted average margin of dumping established with respect to the selected exporters or producers or,

(ii) where the liability for payment of anti-dumping duties is calculated on the basis of a prospective normal value, the difference between the weighted average normal value of the selected exporters or producers and the export prices of exporters or producers not individually examined,

⁷ Such a finding could be articulated, for example, in a Policy Bulletin. The Coalition believes that the Department has the authority to make a finding on a country-specific basis, just as it has the authority to determine whether a country has graduated to market economy status.

James J. Jochum
June 1, 2004
Page 13

provided that the authorities shall disregard for the purpose of this paragraph any zero and *de minimis* margins and margins established under the circumstances referred to in paragraph 8 of Article 6. The authorities shall apply individual duties or normal values to imports from any exporter or producer not included in the examination who has provided the necessary information during the course of the investigation, as provided for in subparagraph 10.2 of Article 6.

See Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, ¶ 9.4. Therefore, by the clear language of the WTO Antidumping Agreement, the Department is obligated to assign a margin *no higher than*⁸ the weighted average rate (excluding zero, *de minimis*, and facts available margins) to non-investigated companies. *It is significant that the WTO Agreement language provides no exception to this mandate with respect to companies operating in non-market economies.* Given the absence of any such exception, the Department's current practice of exposing non-investigated companies to the prospect of punitively high "country-wide" rates rather than weighted average rates is inconsistent with the U.S. Government's WTO obligations.

2. Should the Department Decide to Retain its Practice of Affirmatively Requiring Companies to Prove Entitlement to a Separate Rate, the Proposed Range of Modifications Dictates that Such Modifications Cannot Be Applied to Ongoing Investigations, Such as Wooden Bedroom Furniture.

⁸ The Coalition notes that this same provision also prohibits the Department from calculating any sort of "fourth rate" option, as contemplated in the May 3 notice, that would be higher than the weighted average margins of the selected companies.

James J. Jochum
June 1, 2004
Page 14

The Department has sought comments indicating its consideration of a wide range of modifications to the current separate rates policy. However, for logistical reasons alone, any of the potential changes suggested in certain questions in the Appendix to the Department's May 3 notice should not be implemented in any ongoing investigation.

Specifically, the Department has sought comments to the following questions, among others:

(1) Is Section A of the NME questionnaire sufficiently detailed to allow the Department to make complete, accurate, and informed determinations regarding exporters' eligibility for separate rates? If not, what would you recommend that the Department change with respect to its section A questionnaire? For example, should the Department request further information pertaining to de jure control, or lack of control, by the NME entity?

...

(3) Due to the number of possible section A respondents in many cases and the Department's resource constraints, should the Department establish a process whereby exporters seeking a separate rate must prepare a request and satisfy established requirements before the Department seeks additional information through the questionnaire process? What requirements would you recommend the Department establish?

(4) Should the Department institute an earlier deadline for parties filing section A submissions who are requesting only a separate rate (as opposed to a full review), in relation to the deadline for mandatory respondents? When should this deadline be?

(5) In light of the Department's limited resources, should the number of section A respondents be limited and, if so, upon what basis should the Department limit its examination? For example, should the Department limit the examination to a specific number of parties, base this decision upon a percentage of the number of overall respondents requesting separate rates treatment, or develop an entirely different test to limit its examination?

...

(9) Should the Department extend its separate-rates analysis to exporter-producer combinations, i.e., should the Department consider any government control exercised on an exporter through a producer?

As can be seen from these questions, item 1 contemplates the alteration of the existing questionnaire. Item 3 contemplates the institution of a process that would precede responding to the questionnaire. Item 4 could not be instituted in any case wherein the parties have already responded. Item 5 could not be instituted in cases, such as wooden bedroom furniture, where the Department has already analyzed all separate rates responses. Finally, item 9 would significantly expand the breadth of the Department's analysis, a step which could not reasonably be taken in cases, such as wooden bedroom furniture, where the deadline for the preliminary determination is already practically at hand.

3. The Department Could Create a Separate Office to Evaluate Separate Rates Responses

If the Department is intent on maintaining some form of its separate rates practice, the Department should not consider limiting the number of companies that could be considered for a separate rate. Rather, the Department could simply streamline its process organizationally, by creating a separate group within the new Office devoted to non-market economy cases (arising from Import Administration's impending reorganization) to evaluate all separate rates requests. Creation of such an office would significantly streamline procedures, as the professional staff would be intimately familiar with the requirements necessary for the analysis of a company's

James J. Jochum
June 1, 2004
Page 16

entitlement to a separate rate. Currently, the Coalition understands that the job of analyzing separate rates falls primarily with the case analysts assigned to a proceeding, and therefore the number of case analysts who have been involved in separate rates determinations over the years has numbered in the hundreds. While the Coalition does not question the ability of Department analysts to perform this task, simple efficiency suggests that a dedicated group would better serve the Department's purpose. Moreover, the Department could establish a library of public Chinese laws addressing *de jure* control that would be maintained by such a separate rates group, could incorporate it by reference into the record of each proceeding, and thereby eliminate the significant redundancy and waste of resources in each and every Chinese case of placing the same laws on the official record. The group could also actively monitor the promulgation of new official Chinese laws and acts.

4. The Department Could Simplify The Questionnaire Issued to Exporters Seeking a Separate Rate

Question 1 in the Appendix to the Department's May 3 notice asks whether the NME questionnaire is "sufficiently detailed to allow the Department to make complete, accurate, and informed determinations regarding exporters' eligibility for separate rates?". The answer to this question is indisputably, "Yes." Currently, Section A of the Department's NME questionnaire spans eight pages and the "Separate Rates" section alone is two pages and contains 16 sub-questions. As indicated above, since 1995, , the Department determined that exporters cooperating in an investigation or review were entitled to a separate rate in all but two cases. In

James J. Jochum
June 1, 2004
Page 17

making these determinations, the Department has solicited the same types of information from exporters that it currently seeks in its Section A questionnaire. Were the information solicited in Section A of the questionnaire insufficient, one would expect to see more negative separate rate determinations arising out of verification findings and comments submitted by petitioners. However, this has not been the case. Section A of the questionnaire is sufficiently detailed to permit the Department to make its separate rate determinations.

In fact, a close examination of the Section A questionnaire reveals that many questions are simply inapplicable to a determination of whether an exporter is entitled to a separate rate. Parties submitting a request for a separate rate must satisfy two requirements: 1) party must be a bona fide exporter of the subject merchandise that had exports of the subject merchandise to the United States during the period of investigation; and 2) party must demonstrate *de jure* and *de facto* independence from the government with respect to export activities. To satisfy the first requirement, question 1 of Section A of the questionnaire, titled "Quantity and Value," requests information pertaining to the quantity and value of an exporter's sales of the subject merchandise during the POI. With respect to the latter requirement, as noted above, the Department already has one subpart of Section A of the questionnaire devoted to "Separate Rates" where the Department asks for specific information an pertaining to an exporter's *de jure* and *de facto* independence from governmental control with respect to export activities. Many of the other questions in the Section A questionnaire are simply not pertinent to whether an exporter is

James J. Jochum
June 1, 2004
Page 18

entitled to a separate rate.⁹ For example, there are several detailed questions concerning the sales process, and date of sale, in particular. The Department's questionnaire explains that the date of sale selected for U.S. sales is important because "{I}t will determine which sales and production factors are reported in response to sections C and D of this questionnaire." However, as the Department knows, non-mandatory respondents are not required to submit a response to section C and D of the questionnaire, and in fact, the Department regularly refuses to review such submissions from non-mandatory respondents. Accordingly, in the interest of easing the administrative burden on the Department with respect to reviewing individual exporter's entitlement to a separate rate, and easing the burden on the companies required to respond to the Department's questions, the Coalition recommends that the Department simplify the questionnaire for those parties requesting only a separate rate. Below is a list of those questions that should be eliminated for non-mandatory respondents submitting a request for a separate rate:¹⁰

Question 3. Corporate Structure and Affiliations
Subpart a

⁹ The Coalition is not proposing the elimination of all questions not directly related to quantity and value of exports and separate rates. To be sure, the Coalition recognizes the Department's responsibilities to obtain knowledge of a company's operations, its legal structure and affiliations, its financial practices, the merchandise it sells, and its suppliers (if the respondent does not produce the subject merchandise).

¹⁰ In compiling this list, the Coalition has relied on the standard Section A questionnaire for NME cases provided on DOC's website.

James J. Jochum
June 1, 2004
Page 19

- Question 4. Sales Process
All subparts
- Question 6. Merchandise
Subparts b and c
- Question 7. Further Manufacturing in the United States
All subparts
- Question 9. Sales of Merchandise Under Investigation Supplied by an Unaffiliated Producer
Subparts b and c

* * * * *

Pursuant to the Department's instructions, we hereby submit an original and six copies of this submission.

Please contact the undersigned if you have any questions.

Sincerely,



William Silverman
Richard P. Ferrin
Rick Johnson, International Trade Analyst
Carrie Blozy, International Trade Analyst

cc: Lawrence Norton
Anthony Hill