overhead, and SG&A expenses for the same reason.

To value packing materials, we used information from *SACU Trade Statistics*. We added surrogate freight costs from South Africa for the delivery of inputs to the factories producing ferrovanadium and nitrided vanadium, except where this cost was already included in the surrogate value.

Tulachermet failed to report its labor factors of production. As BIA, we used the labor factors in the petition. In addition, Chusavoy and Tulachermet failed to report the distances between factory and suppliers of certain inputs. As BIA, we applied the farthest distance from all other suppliers in order to calculate the freight cost for those inputs.

FMV for Sales by Odermet

In accordance with Section 773(f) of the Act, Odermet claims that its U.S. sales should be compared to its sales to a third country because: (1) it is a reseller of the subject merchandise; (2) the Russian manufacturer does not know at the time of the sale to Odermet the country to which Odermet intends to export the merchandise; (3) the merchandise is exported by Odermet to a country other than the United States; (4) the merchandise enters the commerce of an intermediate country (Germany) but is not substantially transformed there; and (5) the merchandise is subsequently exported to the United States. Based on the information on the record to date, we have determined that, for purposes of the preliminary determination, Odermet has met the statutory criteria to consider basing its FMV on its sales to the intermediate country, Germany. We based its FMV on the methodology described below.

Cost of Production

In accordance with section 773(b) of the Act, whenever the Department has reasonable grounds to believe or suspect that sales in the home market or third country have been made at prices less than the cost of production, it shall determine whether such sales were made at less than the cost of production. Because the price from the Russian producer to Odermet, the third country reseller, is not based on marketdetermined factors, we have reasonable grounds to believe or suspect that Odermet's sales in Germany also are not based on market-determined factors and are at prices less than the cost of producing the merchandise (see Import Administration Policy Bulletin 94–1, dated March 25, 1994).

A. Calculation of COP

We calculated COP based on the factors of production for materials, labor, energy, factory overhead, SG&A, and packing reported by Odermet's supplier, Tulachermet, and valued in a surrogate country as described above.

B. Test of Third Country Sale Prices

After calculating COP, we tested whether third country sales of the subject merchandise were at prices below COP.

We compared COP to reported prices that were net of movement charges. If over 90 percent of a respondent's sales were at prices above the COP, we did not disregard any below-cost sales because we determined that the respondent's below-cost sales were not made in substantial quantities. If between ten and 90 percent of a respondent's sales were at prices above the COP, we discarded only the belowcost sales if made over an extended period of time. Where we found that more than 90 percent of respondent's sales were at prices below the COP over an extended period of time, we disregarded all sales and calculated FMV based on the factors of production methodology described above.

In order to determine whether belowcost sales were made over an extended period of time, we performed the following analysis: (1) if a respondent sold a product in only one or two months of the POI and there were sales in those months below the COP, or (2) if a respondent sold a product during three months or more of the POI and there were sales below the COP during three or more of those months, then below-cost sales were considered to have been made over an extended period of time.

C. Results of COP Test

We found that more than 90 percent of third country sales were at below-COP prices over an extended period of time. We have no information indicating whether the below cost sales were at

prices that would permit recovery of all costs within a reasonable period of time in the normal course of trade.

Accordingly, we based FMV for all U.S. sales on the factors of production methodology.

Currency Conversion

We made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank, or at the rates published by the International Monetary Fund in *International Financial Statistics*.

Verification

As provided in section 776(b) of the Act, we will verify information determined to be acceptable for use in making our final determination.

Suspension of Liquidation

In accordance with section 733(d)(1) of the Act, we are directing the Customs Service to suspend liquidation of all entries of ferrovanadium and nitrided vanadium from the Russian Federation entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated amount by which the FMV exceeds the USP as shown below. These suspension of liquidation instructions will remain in effect until further notice.

Consistent with our practice in investigations involving imports from NME countries, we calculated a single rate applicable to all exporters in the Russian Federation who have not established eligibility for a separate rate. Tulachermet accounts for all exports by known Russian exporters during the POI. While we have received information on four Russian customers that purchased the subject merchandise, we have no information, at this time, indicating that any of them are exporters. Accordingly, the only rate calculated for a Russian exporter is the Tulachermet rate. Because Tulachermet is the only identified Russian exporter, there is no need to address Tulachermet's separate rate request at this time.

The estimated dumping margins are as follows:

Manufacturer/producer/exporter	Weighted-av- erage margin
All exporters located in Russia including SC Vanadium-Tulachermet	56.15% 40.46%
Gesellschaft für Elektrometallurgie m.b.H./Shieldalloy Metallurgical Corporation/Metallurg, Inc.	49.18%
Marc Rich Co., AG/Glencore International AG	108.00%
Odermet, Ltd.	28.25%