inappropriate surrogate value for the following reasons: (1) it includes selling and movement expenses for smaller quantity purchases not normally incurred in bulk purchases, and (2) it is for a different type of material According to respondents, the PRC producers bought a different type of material in bulk quantities. While not considered publicly available published information, respondents suggest that a more appropriate surrogate value data for this material is a price quotation based on information that respondents obtained from the Department's US&FCS office in New Delhi and market research correspondence since those prices are for a more comparable material and reflect a unit price figure for bulk quantity purchases. Respondents also suggest that, if the Department does not decide to change the surrogate value, it should adjust the surrogate value used in the preliminary determination to reflect the actual quality of the material and further adjust the value to reflect a unit price exclusive of any selling/movement expenses that are normally included in the retail price from Chemical Weekly.

Petitioner counters that the Department's choice of a surrogate value for factor Z in the preliminary determination is appropriate because it is based on publicly available information from an Indian publication and has been accepted by the Department in past investigations as an appropriate surrogate value for factor Z. Petitioner asserts that the alternative suggested by respondents is not a preferred surrogate value under the Department's hierarchy because it stems from individuals' statements and single transactions-information which does not demonstrate that the Chemical Weekly price is in any way an "incorrect" or aberrational value for the material.

Further, petitioner argues that the Department should not make an adjustment for the difference in material type allegedly used by the PRC producers. Petitioner considers the disclosure of the specific type of material as new information since this information was not provided to petitioner until August 4, 1995, when it was disclosed in respondents' factor valuation submission. Therefore, petitioner urges the Department to reject respondents' arguments to adjust the surrogate value in the Chemical Weekly for differences in type and as best information available, to assume that the PRC producers value factor Z without adjustment.

DOC Position

We agree with petitioner. The Department verified that the PRC producers use a specific type of factor Z. Verification did not reveal the nature of the purchase arrangements or the production process for the input (nor was any such information on the record prior to verification). Further, there is no evidence on the record to indicate that the surrogate value from the Chemical Weekly is aberrational for purposes of this investigation. In fact, the type of material used by PRC producers corresponds to the common description of the material priced in Chemical Weekly. Therefore, for purposes of the final determination, we are using the preliminary determination's surrogate value from the Chemical Weekly without adjustment.

Comment 5: Packing Material Consumption and Surrogate Value

Petitioner requests that the Department reject respondents' data for packing and rely on the petition's packing data as BIA since verification revealed that the reported factor consumption for packing was substantially understated. In the event that the Department decides to base its final determination on the information submitted by respondents, it should use the verified packing materials usage factor and not the understated figure originally reported by respondents. Further, petitioner asserts that the Department should use the surrogate unit value for "polypropylene bags" based on information in Monthly Statistics of Foreign Trade of India. Petitioner notes that this surrogate value was used in past cases (see, e.g., Final Determination of Sales at Less Than Fair Value: Silicon Carbide from PRC (59 FR 22585, May 2, 1994)) and respondents are in agreement with this choice of surrogate value for the packing materials (see respondents' August 11, 1995, submission on factor valuation).

Respondents alleged a discrepancy in the weight of the packing materials at verification of Xian Lu Chemical Plant, as noted in the corresponding verification report.

DOC Position

We have determined that the value for plastic bags (expressed in terms of weight) based on 1991–1992 UN Trade Statistics is the more appropriate surrogate value. Information concerning the exact type of plastic bag used by respondents was first presented to the Department in respondents' August 11, 1995, submission on publicly available published information for surrogate

values and, therefore, is untimely and too late to be verified for purposes of the final determination. Further, information on the record does not indicate that the UN Trade Statistics data is an inappropriate basis for surrogate value. The UN Trade Statistics are the most recent, publicly available, published information suitable for valuing plastic bags in this investigation.

Further, as we note no discrepancy in the verified weight of the 25 kilogram plastic bag used at Xian Lu Chemical Plant, no change from the amount noted in the Department's verification report is warranted.

Comment 6: Surrogate Value for Unskilled Labor

Respondents argue that the surrogate labor rate from the ILO Yearbook used to value unskilled labor in the preliminary determination is inappropriate because it is an aggregate labor rate for all skill levels of labor in India. According to respondents, the Department should adjust downward the surrogate labor rate used in the preliminary determination using formulae applied in previous cases.

Petitioner counters that the Department cannot accept respondents' argument because there is no factual evidence on the record of this investigation to support such a proposed adjustment. Petitioner maintains that it is impossible to know whether the formula used in the previous cases would be applicable to the unique circumstances of the manganese sulfate industry in India, or whether it is specific to the products involved in those cases. Further, petitioner contends that respondents failed to provide complete and verifiable information regarding their usage of different types of labor. Accordingly, petitioner urges the Department to reject respondents' request.

DOC Position

We agree with petitioner. For purposes of the final determination, the Department is valuing unskilled labor using the Indian labor rate reported in the ILO Yearbook without adjustment. Respondents' proposed method of (1) assuming that the ILO Yearbook labor rate is an average, semi-skilled labor rate, and (2) adjusting this labor rate to reflect unskilled and skilled labor rates using certain ratio adjustment factors was applied by the Department in a particular investigation based on the specific record of that investigation (see Final Determination of Sales at Less Than Fair Value: Antidumping Duty