

price or the affiliated supplier's COP. See Comment 49.

In accordance with sections 773 (f)(2) and (3) of the Act we attempted to compare the transfer price of the coal purchased from the affiliated supplier to the market price for coal and to the affiliate's COP. Since COSIPA did not purchase coal from any other supplier nor did the affiliate sell coal to another customer during the period of investigation, we were unable to establish a market price for coal. We agree with the respondent's assertion that the Department's cost verification report double counted financial expenses in calculating the affiliate's COP. The double counting occurred as a result of consolidating the affiliate's expenses into COSIPA's financial statements. After adjusting for this duplication, the transfer price from the affiliate is higher than the affiliate's calculated COP. Since our testing indicated that the transfer price between COSIPA and its affiliate was higher than COP, no adjustment was necessary. We disagree with respondent's contention that we used the consolidated SG&A for the preliminary determination. In fact we used the unconsolidated COSIPA SG&A expenses.

**Comment 56:** COSIPA's SG&A Expenses. Petitioners state that COSIPA's SG&A rate was understated and must be revised to reflect all related expenses. Petitioners point out that COSIPA failed to include expenses related to the depreciation and amortization on administrative assets in its SG&A rate calculation. Petitioners also point out that accruals for lawsuit contingencies were omitted. Petitioners argue these amounts should be included in the SG&A rate calculation.

The respondent did not comment on this issue.

**Department's Position:** We agree with petitioners that the costs associated with depreciation and amortization on administrative assets and accruals for lawsuit contingencies should be included in COSIPA's SG&A expense rate calculation. We consider these costs to be related to the general operations of the company as a whole. We have therefore revised COSIPA's SG&A calculation to include these costs. Since we did not include ICMS taxes in the COP and CV computations, we did not allow income recognized from rescheduling of ICMS taxes as an offset to SG&A expense.

**Comment 57:** Dufer's Further Processing Costs. Petitioners argue that the Department should use facts available to determine the cost of further processing at Dufer because Dufer has no product-specific cost records.

Respondents argue that Dufer has no basis for determining product-specific costs as required by the Department. Respondents state that Dufer is a small company and cooperated to the best of its ability by providing all of the information it could to the Department. Respondent's cite Annex II of the 1994 Agreement on Implementation of Article VI of the GATT in arguing that the Department should use information provided to it by respondents, "provided the interested party has acted to the best of its ability." In the instant case, respondents argue that Dufer provided all of the information it had to the best of its ability and fully cooperated with the Department at verification, and thus there is no basis for the Department to use facts available to determine Dufer's costs.

**Department's Position:** These comments on Dufer's cost issues are moot due to the Department's decision to use adverse facts available for sales from Dufer. See Comment 18.

#### Suspension of Liquidation

On July 6, 1999, the Department signed a suspension agreement with CSN, USIMINAS, and COSIPA suspending this investigation. Pursuant to section 734(f)(2)(A) of the Act, we are instructing Customs to terminate the suspension of liquidation of all entries of hot-rolled flat-rolled, carbon-quality steel products from Brazil. Any cash deposits of entries of hot-rolled flat-rolled, carbon-quality steel products from Brazil shall be refunded and any bonds shall be released.

On July 2, 1999, the Department received a request from petitioners requesting that we continue the investigation. Pursuant to this request, we have continued and completed the investigation in accordance with section 734(g) of the Act. We have found the following weighted-average dumping margins:

Exporter/manufacture	Weighted-average margin (percent)
CSN .....	41.27
USIMINAS/COSIPA .....	43.40
All Others .....	42.12

#### ITC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination. As our determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC's injury

determination is negative, the agreement will have no force or effect, and the investigation will be terminated (see section 734(f)(3)(A) of the Act). If the ITC's determination is affirmative, the Department will not issue an antidumping duty order as long as the suspension agreement remains in force (see section 734(f)(3)(B) of the Act).

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: July 6, 1999.

**Robert S. LaRossa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 99-18225 Filed 7-16-99; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-351-828]

#### Suspension of Antidumping Duty Investigation: Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil

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

**SUMMARY:** The Department of Commerce (the Department) has suspended the antidumping duty investigation involving hot-rolled flat-rolled carbon-quality steel products (hot-rolled steel) from Brazil. The basis for this action is an agreement between the Department and producers/exporters accounting for substantially all imports of hot-rolled steel from Brazil wherein each signatory producer/exporter has agreed to revise its prices to eliminate completely the injurious effects of exports of this merchandise to the United States.

**EFFECTIVE DATE:** July 6, 1999.

**FOR FURTHER INFORMATION CONTACT:** Linda Ludwig at (202) 482-3833, Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

#### Background

On October 15, 1998, the Department initiated an antidumping duty investigation under section 732 of the Tariff Act of 1930 (the Act), as amended, to determine whether imports of hot-rolled steel from Brazil are being or are likely to be sold in the United States at less than fair value (63 FR 56607, October 22, 1998). On November 16,

1998, the United States International Trade Commission ("ITC") notified the Department of its affirmative preliminary finding of threat of material injury in this case. Additionally, on November 25, 1998, the ITC published its preliminary determination that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of the subject merchandise from Brazil (63 FR 65221). On February 12, 1999, the Department preliminarily determined that hot-rolled steel is being, or is likely to be sold in the United States at less than fair value (LTFV), as provided in section 733 of the Act (64 FR 8299, February 19, 1999).

The Department and the Brazilian producers/exporters of hot-rolled steel initiated a proposed agreement suspending this investigation on June 6, 1999. On June 6, 1999, we invited interested parties to provide written comments on the agreement. We received comments from petitioners (Bethlehem Steel Corp., Ispat Inland Inc., LTV Steel Company, Inc., National Steel Corp., U.S. Steel Group (a Unit of USX Corp.), California Steel Industries, Gallatin Steel Company, Geneva Steel, Gulf States Steel Inc., Ipsco Steel Inc., Steel Dynamics, Weirton Steel Corporation, and Independent Steelworkers Union).

The Department and the Brazilian producers/exporters of hot-rolled steel signed the final suspension agreement on July 6, 1999.

### Scope of Investigation

See Notice of Final Determination of Sales at Less Than Fair Value: Hot-Rolled Flat-Rolled Carbon Quality Steel Products from Brazil, signed July 6, 1999.

### Suspension of Investigation

The Department consulted with the parties to the proceeding and has considered the comments submitted with respect to the proposed suspension agreement. In accordance with section 734(c) of the Act, we have determined that extraordinary circumstances are present in this case, as defined by section 734(c)(2)(A) of the Act. (See July 6, 1999, Extraordinary Circumstances Memorandum to Robert S. LaRussa).

The suspension agreement provides that: (1) The subject merchandise will be sold at or above the established reference price; and (2) for each entry of each exporter, the amount by which the estimated normal value exceeds the export price (or constructed export price) will not exceed 15 percent of the weighted average amount by which the estimated normal value exceeded the

export price (or constructed export price) for all less-than-fair-value entries of the producer/exporter examined during the course of the investigation. We have determined that this suspension agreement will: (1) Eliminate completely the injurious effect of exports to the United States of the subject merchandise; and (2) prevent the suppression or undercutting of price levels of domestic hot-rolled steel by imports of that merchandise from Brazil.

We have also determined that the suspension agreement can be monitored effectively and is in the public interest, pursuant to section 734(d) of the Act. (See July 6, 1999, Public Interest Memorandum to Robert S. LaRussa.) We find, therefore, that the criteria for suspension of the investigation pursuant to section 734(c) of the Act have been met. The terms and conditions of the suspension agreement, signed July 6, 1999, are set forth in Appendix 1 of this notice.

The suspension of liquidation ordered in the preliminary affirmative determination in this case shall continue in effect, subject to section 734(h)(3) of the Act. Section 734(f)(2)(B) of the Act provides that the Department may adjust the security required to reflect the effect of the Agreement. Pursuant to this provision, the Department has found that the Agreement eliminates completely the injurious effects of imports and, thus, the Department is adjusting the security required from signatories to zero. The security rates in effect for imports from non-signatory producers/exporters remain as published in our final determination.

This notice is published pursuant to section 734(f)(1)(A) of the Act.

Dated: July 6, 1999.

**Bernard T. Carreau,**

*Acting Assistant Secretary for Import Administration.*

### Appendix 1—Agreement Suspending the Antidumping Investigation on Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil

Pursuant to section 734(c) of the Tariff Act of 1930, as amended (19 U.S.C. 1673c(c)) (the "Act"), and section 208 of part 351 of Title 19 of the Code of Federal Regulations (the "Regulations"), the U.S. Department of Commerce (the "Department") and the signatory producers/exporters of Hot-Rolled Steel from Brazil (the "Signatories") agree as follows:

#### I. Definitions

For purposes of this Agreement, the following definitions apply:

A. Agreement—means this suspension agreement.

B. Date of Sale—means the date on which a Signatory confirms an order for a fixed quantity of Hot-Rolled Steel at a fixed price. Each Signatory and the Department will determine individual dates of sale for deliveries of Hot-Rolled Steel more than one year after the confirmation date.

C. Effective Date—means the date on which this Agreement is signed and on which the Parties to the Proceeding are notified of its signature.

D. Hot-Rolled Steel—means the certain hot-rolled, flat-rolled carbon-quality steel products from Brazil described in Appendix I and sometimes referred to as the "subject merchandise" of the suspended investigation. The individual categories of Hot-Rolled Steel for which the Department will determine Reference Prices are listed in Paragraph IV.B.

E. Party to the Proceeding—means any producer, exporter, or importer of Hot-Rolled Steel, union of workers engaged in the production of Hot-Rolled Steel, associations of such parties, or the government of Brazil, as provided for in section 771(9) of the Act, that actively participated in the antidumping investigation, through written submission of factual information or written argument.

F. Producer/Exporter—means: (1) A foreign manufacturer or producer of Hot-Rolled Steel; (2) a foreign producer or reseller that also exports Hot-Rolled Steel; and (3) an affiliated person by whom or for whose account Hot-Rolled Steel is imported into the United States, as defined in section 771(33) of the Act.

G. Quarter—means the relevant quarter calendar year, consistent with the following schedule:

First Quarter—January 1–March 31;  
Second Quarter—April 1–June 30;  
Third Quarter—July 1–September 30;  
and  
Fourth Quarter—October 1–December 31.

H. Reference Price—means the price for Hot-Rolled Steel established under Section IV of this Agreement. Reference prices include all transportation charges to the U.S. port of entry, together with port fees, duties, offloading, wharfage and other charges incurred in bringing the steel to the first customs port of discharge in the U.S. market. If the sale for export is on terms that do not include these expenses, the Signatories will ensure that the actual terms are equivalent to a price that is not lower than the Reference Price.

I. U.S. Price—means the export price or constructed export price at which

Hot-Rolled Steel is sold by the producer or exporter to the first unaffiliated party in the United States or for export to an unaffiliated party in the United States, including the amount of any discounts, rebates, price protection or ship and debit adjustments, and other adjustments affecting the net amount paid or to be paid by the unaffiliated purchaser, as determined by the Department consistent with section 772 of the Act.

J. U.S. Market Price—The U.S. market price is the Purchasing Magazine spot market price for Hot-Rolled Steel.

K. Violation—means noncompliance with the terms of this Agreement, whether through an act or omission, except for noncompliance that is inconsequential, inadvertent, or does not substantially frustrate the purposes of this Agreement.

## II. Suspension of Investigation

On the Effective Date, the Department will suspend its antidumping investigation of Hot-Rolled Steel from Brazil initiated on October 15, 1998 (63 FR 56607, October 22, 1998), in accordance with Section 734(c) of the Act and 19 CFR 351.208.

## III. U.S. Import Coverage

The Signatories collectively are the producers and exporters in Brazil that, during the antidumping duty investigation of Hot-Rolled Steel from Brazil, accounted for substantially all of the subject merchandise exported from Brazil to the United States, as defined in § 351.208(c) of the regulations. The Department may at any time during the operation of the Agreement require additional producers/exporters in Brazil to sign the Agreement in order to ensure that not less than substantially all sales of Hot-Rolled Steel from Brazil to the United States are covered by the Agreement.

## IV. Revised prices

A. On and after the Effective Date, no Signatory will sell Hot-Rolled Steel from Brazil in, or for direct or indirect delivery to, the United States at prices that are less than the Reference Price in effect on the Date of Sale for that category of Hot-Rolled Steel, as established under Paragraphs B and C of this Section.

B. The Reference Prices for the fourth Quarter of 1999 shall be as follows:

Product category	Price per metric ton
1. Commercial Quality, not pickled and oiled, not temper-rolled, not edge-trimmed.	\$327.00.

Product category	Price per metric ton
2. Structural quality, not pickled and oiled, not temper-rolled, not edge-trimmed.	The price for Prod. Category 1 plus \$16.35.
3. Commercial quality pickled and oiled, temper-rolled, and edge-trimmed.	The price for Prod. Category 1 plus \$47.00.
4. Structural Quality, pickled and oiled, temper-rolled, and edge-trimmed.	The price for Prod. Category 2 plus \$47.00.

C. The Reference Price for Category one steel (commercial quality, not pickled and oiled, not temper-rolled, and not edge-trimmed) shall be fixed on the last day of that Quarter (and Quarterly, thereafter) at the higher of the average U.S. Market Price for that Quarter, less 6 percent, or \$327. The prices for the other categories of Hot-Rolled Steel shall be adjusted accordingly.

D. Until such time as the Department and the Signatories agree, after consultations, upon Reference Prices for other Hot-Rolled Steel products, only the products listed in Appendix II may be exported from Brazil to the United States. Consultations regarding Reference Prices for other Hot-Rolled Steel products shall be held within 30 days of a request and shall be completed within 15 days.

E. In order to satisfy the requirements of section 734(c)(1)(B) of the Act, each Signatory agrees that, for each entry of Hot-Rolled Steel subject to this Agreement, the amount by which the estimated normal value exceeds the export price (or the constructed export price) will not exceed 15 per cent of the weighted average amount by which the estimated normal value exceeded the export price (or the constructed export price) for all less-than-fair-value entries of the Signatory examined during the investigation.

## V. Reporting Requirements

A. Each Signatory will supply to the Department 30 days after the end of each Quarter all information that the Department determines is necessary to ensure that the Signatory is in full compliance with the terms of this Agreement. Such information shall include complete price information on each sale of Hot-Rolled Steel directly or indirectly to unaffiliated purchasers in the United States, including information supporting any relevant adjustments to the price under section 772 of the Act.

B. Each Signatory shall include, as part of the documentation presented to U.S. Customs for entry of Hot-Rolled

Steel subject to this Agreement into the United States, an export license issued by the Government of Brazil that includes the price at which that Hot-Rolled Steel is sold to the first unaffiliated purchaser in the United States.

C. The Department may reject any information submitted under this Agreement that is untimely or any information which it is unable to verify to its satisfaction.

## VI. Disclosure

The Department may make available to representatives of each domestic Party to the Proceeding, under administrative protective orders drawn in accordance with section 777 of the Act and § 351.305 of the regulations, business proprietary information submitted to the Department for each Quarter, as well as the results and methodology of its calculation of Reference Prices.

## VII. Monitoring

A. The Department will monitor entries of Hot-Rolled Steel from Brazil to ensure compliance with this Agreement. Among other means, the Department will review publicly-available data and other official import data, including, as appropriate, records maintained by the U.S. Customs Service, to determine whether there have been imports that are inconsistent with the provisions of this Agreement.

B. The Department may require, and each Signatory agrees to provide, confirmation, through documentation provided to the Department, that the price received on any sale subject to this Agreement was not less than the established reference price. The Department may require that such documentation be provided, and be subject to verification, within 30 days of the sale.

C. The Department may require, and each Signatory agrees to report, on computer disk in the prescribed format and using the prescribed method of data compilation, each sale of the merchandise subject to this Agreement, either directly or indirectly to unaffiliated purchasers in the United States, including each adjustment applicable to each sale, as specified by the Department.

D. Each Signatory agrees to permit review and on-site inspection of all information deemed necessary by the Department to verify the reported information.

## VIII. Administrative Reviews

The Department may conduct administrative reviews under section

751 of the Act, upon request or upon its own initiative, to ensure that exports of Hot-Rolled Steel from Brazil are at prices consistent with the terms of this Agreement.

#### IX. Anticircumvention

The Signatories will not circumvent this Agreement. Together with each sales report provided pursuant to Section V.A, each Signatory will certify to the Department in writing that the sales reported therein include all sales directly or indirectly to unaffiliated purchasers in the United States or for delivery to the United States, and that the Signatory did not make any other such sales pursuant to any bundling arrangement, on-site processing arrangement, discounts/free goods/financing package, swap, exchange, or other arrangement in circumvention of this Agreement.

#### X. Consultations

A. The Department and any Signatory may request consultations with the other at any time regarding the implementation, operation (including any changes in the relationship of the reference price to market prices), and/or enforcement of this Agreement.

B. If the Department requests consultations with any Signatory concerning potential noncompliance with, or Violation of, this Agreement, it may simultaneously request that Signatory to provide the Department with all information relating to the allegation, including all sales information pertaining to covered and non-covered merchandise manufactured or sold by the Signatory. The Signatory will provide the requested information to the Department within 15 days of the Department's request. Any Party to the Proceeding may submit comments on the information submitted by the Signatory within 10 days after the information is received by the Department. The consultations shall be held within 45 days after the Department's request for consultations or for relevant information, unless the Department and the Signatory agree on a later date.

#### XI. Violations

A. In reviewing the operation of this Agreement for the purpose of determining whether this Agreement has been violated or no longer meets the requirements of section 734(d)(1) of the Act, the Department will consider imports of Hot-Rolled Steel into the United States from all sources, and factors including, but not limited to, the volume of trade, patterns of trade, whether any reseller is an original

equipment manufacturer, any reseller's export price, and the extent to which the Agreement Suspending the Countervailing Duty Investigation of Hot-Rolled Steel from Brazil is being complied with and is satisfying the conditions under section 704 of the Act.

B. If the Department determines that this Agreement is being or has been violated or no longer meets the requirements of section 734(c) or (d) of the Act, the Department shall take whatever action it deems appropriate under section 734(i) of the Act and the Regulations.

C. In the event that the Department resumes the original investigation, it will conduct the resumed investigation on the basis of the original administrative record and the statutes, regulations, policies, and practices in effect on the Effective Date.

#### XII. Other Provision

By entering into this Agreement, the Signatories do not admit that any sales of Hot-Rolled Steel have been made at less than fair value.

#### XIII. Duration

A. This Agreement will remain in force until the underlying antidumping proceeding is terminated in accordance with U.S. law.

B. Any Signatory may terminate this Agreement at any time upon notice to the Department. Termination shall be effective 60 days after such notice is received by the Department. Upon termination, the Department shall follow the procedures outlined in section 734(i)(1) of the Act.

Robert Larussa,

*Assistant Secretary for Import Administration.*

William H. Barringer,

*Counsel to: Companhia Siderurgica Paulista (COSIPA); Usinas Siderurgicas de Minas Gerais (USIMINAS); and Companhia Siderurgica Nacional (CSN).*

#### Appendix I

##### Definition of Hot-Rolled Steel

For purposes of this investigation, the products covered are certain hot-rolled flat-rolled carbon-quality steel products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers) regardless of thickness, and in straight lengths, of a thickness less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (i.e., flat-rolled products rolled on

four faces or in a closed box pass, of a width exceeding 150 mm, but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of these investigations.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free ("IF")) steels, high strength low alloy ("HSLA") steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products to be included in the scope of this investigation, regardless of HTSUS definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or  
1.50 percent of silicon, or  
1.00 percent of copper, or  
0.50 percent of aluminum, or  
1.25 percent of chromium, or  
0.30 percent of cobalt, or  
0.40 percent of lead, or  
1.25 percent of nickel, or  
0.30 percent of tungsten, or  
0.012 percent of boron, or  
0.10 percent of molybdenum, or  
0.10 percent of niobium, or  
0.41 percent of titanium, or  
0.15 percent of vanadium, or  
0.15 percent of zirconium.

All products that meet the physical and chemical description provided above are within the scope of this investigation unless otherwise excluded. The following products, by way of example, are outside and/or specifically excluded from the scope of this investigation:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including e.g., ASTM specifications A543, A387, A514, A517, and A506).
- SAE/AISI grades of series 2300 and higher.
- Ball bearing steels, as defined in the HTSUS.
- Tool steels, as defined in the HTSUS.

• Silico-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 1.50 percent.

• ASTM specifications A710 and A736.  
• USS Abrasion-resistant steels (USS AR 400, USS AR 500).

• Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Min	P	S	Si	Cr	Cu	Ni
0.10–0.14% .....	0.90% Max .....	0.025% Max ....	0.005% Max ....	0.30–0.50% .....	0.50–0.70% .....	0.20–0.40% .....	0.20% Max.

Width=44.80 inches maximum;  
Thickness=0.063–0.198 inches;  
Yield Strength=50,000 ksi minimum;  
Tensile Strength=70,000–88,000 psi.

• Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Min	P	S	Si	Cr	Cu	Ni	Mo
0.10–0.16% ...	0.70–0.90% ..	0.025% Max	0.006% Max	0.30–0.50% ..	0.50–0.70% ..	0.25% Max ...	0.20% Max ...	0.21% Max

Width=44.80 inches maximum;  
Thickness=0.350 inches maximum;  
Yield Strength=80,000 ksi minimum;  
Tensile Strength = 105,000 psi Aim.

• Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

	C	Min	P	S	Si	Cr	Cu	V(wt.)	Cb
10–0.14% ....	1.30–1.80%	0.025% Max.	0.005% Max.	0.30–0.50%	0.50–0.70%	0.20–0.40%	0.20% .....	0.10 Max ...	0.08% Max

Width=44.80 inches maximum;  
Thickness=0.350 inches maximum;  
Yield Strength=80,000 ksi minimum;  
Tensile Strength=105,000 psi Aim.

• Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Min	P	S	Si	Cr	Cu	Nb	Ca	Al
0.15% Max ..	1.40% Max	0.025% Max.	0.010% Max.	0.50% Max	1.00% Max	0.20% Max	0.005% Min	Treated .....	0.01–0.07%

Width=39.37 inches;  
Thickness=0.181 inches maximum;  
Yield Strength=70,000 psi minimum for thicknesses >0.148 inches and 65,000 psi minimum for thicknesses >0.148 inches; 16Tensile Strength=80,000 psi minimum.

Hot-rolled dual phase steel, phase-hardened, primarily with a ferritic-martensitic microstructure, contains 0.9 percent up to and including 1.5 percent silicon by weight, further characterized by either (i) tensile strength between 540 N/mm<sup>2</sup> and 640 N/mm<sup>2</sup> and an elongation percentage ≤ 26 percent for thicknesses of 2 mm and above, or (ii) a tensile strength between 590 N/mm<sup>2</sup> and 690 N/mm<sup>2</sup> and an elongation percentage ≤ 25 percent for thicknesses of 2mm and above.

• Hot-rolled bearing quality steel, SAE grade 1050, in coils, with an inclusion rating of 1.0 maximum per ASTM E 45, Method A, with excellent surface quality and chemistry restrictions as follows: 0.012 percent maximum phosphorus, 0.015 percent

maximum sulfur, and 0.20 percent maximum residuals including 0.15 percent maximum chromium.

• Grade ASTM A570–50 hot-rolled steel sheet in coils or cut lengths, width of 74 inches (nominal, within ASTM tolerances), thickness of 11 gauge (0.119 inch nominal), mill edge and skin passed, with a minimum copper content of 0.20%.

The merchandise subject to these investigations is classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00,

7210.90.90.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7212.40.10.00, 7212.40.50.00, 7212.50.00.00. Certain hot-rolled flat-rolled carbon-quality steel covered by this investigation, including: Vacuum degassed, fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

**Appendix II****Products Initially Covered by Reference Prices**

Not painted  
 Not varnished  
 Not coated with plastics  
 Structural Quality (not including High Strength Low Alloy) or Commercial Quality  
 In coils  
 Width greater than or equal to 600mm  
 Nominal Thickness greater than 0.09 inches  
 Minimum Specified Yield Strength of less than 50,000 psi  
 Carbon content less than or equal to 0.25%  
 Carbon content greater than 0.06%  
 Without patterns in relief

Either including all of these extras or none of them: temper rolled; pickled & oiled; edge trimmed

[FR Doc. 99-18226 Filed 7-16-99; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE****International Trade Administration**

[C-351-829]

**Suspension of Countervailing Duty Investigation: Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil**

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

**SUMMARY:** The Department of Commerce (the Department) has suspended the countervailing duty investigation involving certain hot-rolled flat-rolled carbon-quality steel products from Brazil. The basis for the suspension is an agreement between the Department and the Government of Brazil wherein the GOB has agreed not to provide any new or additional export or import substitution subsidies on the subject merchandise and has agreed to restrict the volume of direct or indirect exports to the United States of hot-rolled flat-rolled carbon-quality steel products from all Brazilian producers/exporters in order to eliminate completely the injurious effects of exports of this merchandise to the United States.

**EFFECTIVE DATE:** July 6, 1999.

**FOR FURTHER INFORMATION CONTACT:** Linda Ludwig at (202) 482-3833, Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of

Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:****Background**

On October 15, 1998, the Department initiated a countervailing duty investigation under section 702 of the Tariff Act of 1930 (the Act), as amended, to determine whether manufacturers, producers, or exporters of certain hot-rolled flat-rolled carbon-quality steel products from Brazil receive subsidies (63 FR 56623). On November 25, 1998, the International Trade Commission (ITC) published its affirmative preliminary injury determination. On December 1, 1998 and January 22, 1999, we postponed the preliminary determination until no later than February 12, 1999. *See Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil: Postponement of Time Limit for Countervailing Duty Investigation*, 63 FR 67459 (December 7, 1998) and *Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil: Postponement of Time Limit for Countervailing Duty Investigation*, 64 FR 4638 (January 29, 1999).

On February 12, 1999, the Department preliminary determined that countervailable subsidies are being provided to Companhia Siderurgica Nacional (CSN), Usinas Siderurgicas de Minas Gerais (USIMINAS) and Companhia Siderurgica Paulista (COSIPA). *See Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination: Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil*, 64 FR 8313 (February 19, 1999). We conducted verification of the questionnaire responses of the Government of Brazil (GOB), CSN, USIMINAS and COSIPA from April 5 through April 16, 1999.

The Department and the GOB initialed a proposed agreement suspending the investigation on June 6, 1999. Interested parties were informed that the Department intended to finalize the Agreement on July 6, 1999, and were invited to provide written comments on the agreement. We received comments from petitioners (Bethlehem Steel Corp., Ispat Inland Inc., LTV Steel Company, Inc., National Steel Corp., U.S. Steel Group (a Unit of USX Corp.), California Steel Industries, Gallatin Steel Company, Geneva Steel, Gulf States Steel Inc., Ipsco Steel Inc., Steel Dynamics, Weirton Steel Corporation, and Independent Steelworkers Union).

The Department and the GOB signed the final suspension agreement on July 6, 1999.

**Scope of Suspension Agreement**

*See Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil*, signed on July 6, 1999.

**Suspension of Investigation**

The Department consulted with the parties to the proceeding and has considered their positions with respect to the proposed suspension agreement. In accordance with section 704(c) of the Act, we have determined that extraordinary circumstances are present in this case as defined by section 704(c)(4) of the Act. (*See* July 6, 1999, Extraordinary Circumstances Memorandum to Robert S. LaRussa.)

The suspension agreement provides that: (1) The GOB will not provide any new or additional export or import substitution subsidies on the subject merchandise; and (2) the GOB will restrict the volume of direct or indirect exports to the United States of subject merchandise from all Brazilian producers/exporters.

We have also determined that the suspension agreement can be monitored effectively and is in the public interest, pursuant to section 704(d) of the Act. (*See* July 6, 1999, Public Interest Memorandum to Robert S. LaRussa.) We find, therefore, that the criteria for suspension of the investigation pursuant to section 704(c) of the Act have been met. The terms and conditions of the suspension agreement, signed July 6, 1999, are set forth in Appendix I to this notice.

The suspension of liquidation ordered in the final affirmative determination in this case shall continue in effect, subject to section 704(h)(3) of the Act. Section 704(f)(2)(B) of the Act provides that the Department may adjust the security required to reflect the effect of the Agreement. Pursuant to this provision, the Department has found that the Agreement eliminates completely the injurious effects of the imports and, thus, the Department is adjusting the security required from producers and/or exporters to zero. The security rates in effect for imports from non-signatory producers/exporters remain as published in our final determination.

On July 6, 1999, we received a request from petitioners requesting that we continue the investigation. Pursuant to this request, we are continuing the investigation in accordance with section 704(g) of the Act and have notified the ITC of our determination. If the ITC's injury determination is negative, the agreement will have no force or effect, and the investigation will be terminated.