

brokerage charges, insurance, international freight and U.S. inland freight.

#### *Constructed Export Price*

For certain sales, we used CEP methodology in accordance with sections 772(b), (c) and (d) of the Act, because sales to the first unaffiliated purchaser in the United States took place after importation. Consistent with these definitions, we found that some of the respondent's sales during the POI were CEP sales. For these sales, we calculated CEP based on prices charged to the first unaffiliated customer in the United States.

As the starting U.S. price, we relied on the reported gross unit price. These prices were delivered and FOB prices to unaffiliated customers in the United States. In accordance with section 772(c)(2) of the Act, we reduced the CEP, where appropriate, by billing adjustments and movement expenses, including foreign inland freight, foreign brokerage charges, insurance, international freight and U.S. inland freight. Also, where appropriate, we deducted direct and indirect selling expenses related to commercial activity in the United States. Pursuant to section 772(d)(3) of the Act, where applicable, we made an adjustment for CEP profit.

#### *Currency Conversions*

We made currency conversions in accordance with section 773A(a) of the Act.

#### *Verification*

In accordance with section 782(i) of the Act, we intend to verify information to be used in making our final determination.

#### *Suspension of Liquidation*

In accordance with section 733(d)(2) of the Act, we are directing the Customs Service to suspend liquidation of all imports of subject merchandise from Israel entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. We will instruct the Customs Service to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP or CEP, as indicated in the chart below. These suspension of liquidation instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Exporter/producer	Weighted-average margin (in percent)
Dead Sea Magnesium .....	12.68
All-others .....	12.68

#### *ITC Notification*

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

#### *Disclosure*

We will disclose the calculations used in our analysis to parties in this proceeding within five days of the publication of this notice. See 19 CFR 351.224(b).

#### *Public Comment*

Case briefs for this investigation must be submitted no later than one week after the issuance of the verification reports. Rebuttal briefs must be filed within five days after the deadline for submission of case briefs. A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

Section 774 of the Act provides that the Department will hold a hearing to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party. If a request for a hearing is made in an investigation, the hearing will tentatively be held two days after the deadline for submission of the rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral

presentations will be limited to issues raised in the briefs.

If this investigation proceeds normally, we will make our final determination within 75 days of this preliminary determination.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

Dated: April 23, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, Import Administration.*

[FR Doc. 01-10686 Filed 4-27-01; 8:45 am]

**BILLING CODE 3510-DS-P**

## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

**[A-122-838]**

#### **Notice of Initiation of Antidumping Duty Investigation: Certain Softwood Lumber Products From Canada**

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

**EFFECTIVE DATE:** April 30, 2001.

**FOR FURTHER INFORMATION CONTACT:** Valerie Ellis or Charles Riggle at (202) 482-2336 and (202) 482-0650, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

#### **Initiation of Investigation**

#### **The Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce (the Department) regulations are references to the provisions codified at 19 CFR part 351 (2001).

#### **The Petition**

On April 2, 2001, the Department received a petition filed in proper form by the Coalition for Fair Lumber Imports Executive Committee,<sup>1</sup> the United

<sup>1</sup> The Coalition for Fair Lumber Imports Executive Committee is comprised of Hood Industries, International Paper Company, Moose River Lumber Company, New South Incorporated, Plum Creek Timber Company, Polatch Corporation, Seneca Sawmill Company, Shearer Lumber Products,

Brotherhood of Carpenters and Joiners, and the Paper, Allied-Industrial, Chemical and Energy Workers International Union (collectively, the petitioners). On April 20, 2001, the petition was amended to include the following four companies individually as petitioners: Moose River Lumber Co., Shearer Lumber Products, Shuqualak Lumber Co. and Tolleson Lumber Co., Inc. The Department received information supplementing the petition during the twenty-day initiation period. In accordance with section 732(b) of the Act, the petitioners allege that imports of certain softwood lumber products from Canada are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring an industry in the United States.

The Department finds that the petitioners have standing to file this petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C), (D) and (E) of the Act and have demonstrated sufficient industry support with respect to the antidumping investigation that they are requesting the Department to initiate. *See Determination of Industry Support for the Petition*, below.

### Scope of the Investigation

The products covered by this investigation are softwood lumber, flooring and siding (softwood lumber products). Softwood lumber products include all products classified under headings 4407.1000, 4409.1010, 4409.1090, and 4409.1020, respectively, of the HTSUS, and any softwood lumber, flooring and siding described below. These softwood lumber products include:

(1) Coniferous wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding six millimeters;

(2) Coniferous wood siding (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed;

(3) Other coniferous wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, V-jointed, beaded, molded, rounded or

the like) along any of its edges or faces (other than wood mouldings and wood dowel rods) whether or not planed, sanded or finger-jointed; and (4) Coniferous wood flooring (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed.

Although the HTSUS subheadings are provided for convenience and U.S. Customs purposes, the written description of the merchandise under investigation is dispositive.

During our review of the petition, we discussed the scope with the petitioners to ensure that it accurately reflects the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations (62 FR 27323), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments within twenty days after the date of publication of this notice in the **Federal Register**. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The period for scope comments is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determination.

### Determination of Industry Support for the Petition

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, when determining the degree of industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such

differences do not render the decision of either agency contrary to the law.<sup>2</sup>

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition.

The petition covers softwood lumber as defined in the *Scope of the Investigation* section, above, a single class or kind of merchandise. The petitioners define the domestic like product as the class or kind of merchandise covered by the scope of the investigation. The Department has no basis on the record to find the petitioners' definition of the domestic like product to be inaccurate.

The Department, therefore, has adopted the domestic like product definition set forth in the petition.

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (1) At least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Finally, section 732(c)(4)(D) of the Act provides that if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the administering agency shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method.

In this case, the Department has determined that the petition (and subsequent amendments) contain adequate evidence of industry support; therefore, polling is unnecessary. *See Attachment I to AD Investigation Initiation Checklist: Certain Softwood Lumber Products from Canada* (April 23, 2001) (*Initiation Checklist*). To

<sup>2</sup> See *Algoma Steel Corp. Ltd., v. United States*, 688 F. Supp. 639, 642-44 (CIT 1988); *High Information Content Flat Panel Displays and Display Glass from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380-81 (July 16, 1991).

estimate total domestic production of softwood lumber products, the petitioners relied on year 2000 production figures published by the American Forest and Paper Association (AF&PA). The petitioners also made an upward adjustment to this figure to account, conservatively, for flooring and siding that may or may not otherwise be included in the AF&PA total production figure, but which is included in the definition of domestic like product. In a letter dated April 20, 2001, the Government of Canada attempted to show that this upward adjustment to the year 2000 total production figure was inadequate, and argued that numerous other product categories should also be added to the total production figure. We analyzed the claim made by the Government of Canada and have concluded that it would result in significant double-counting. Further, we have found no other evidence through independent research that would indicate that the petitioners' figure for total U.S. production is in any way understated. We therefore conclude that 67 percent of the U.S. softwood lumber-producing industry supports the petition. Because the petition has support from more than 50 percent of the entire domestic industry, we are not required to consider any expression of opposition in our determination to initiate this investigation. Accordingly, the Department determines that this petition is filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

#### Export Price and Normal Value

The petitioners based export price (EP) on affidavits containing price quotes from Canadian lumber producers in British Columbia and Quebec. These quotes reflect prices to unaffiliated U.S. purchasers for different types and sizes of the subject merchandise commonly exported to the United States. In addition, the petitioners provided prices contained in the industry publication *Random Lengths*.<sup>3</sup> Both POI-average and week-specific prices were provided from *Random Lengths*. Because the terms of these prices are delivered, the petitioners calculated a net U.S. price by subtracting an estimated amount for international freight. In addition, for the price quote from British Columbia, the petitioners deducted a trading company mark-up.

<sup>3</sup> *Random Lengths* is a weekly newsletter that is received by subscribers in the U.S., Canada, and forty-one other countries. The publication reports prices, analyzes markets, and examines issues affecting markets for the North American softwood lumber industry.

For initiation purposes, we relied only on the estimated margins based on the POI-average *Random Lengths* prices and actual price quotes from Canadian producers. The petitioners argue that the week-specific *Random Lengths* prices should be used by the Department because they are indicative of actual sales that occurred during that week for a specific product with identical sales terms, and they are akin to an individual-price transaction.<sup>4</sup> However, since the POI-average prices from *Random Lengths* and price quotes from Canadian lumber producers are sufficient for the purposes of this initiation, it is not necessary to consider the petitioners' alternative methodology at this time.

With respect to normal value (NV), the petitioners provided a home-market price that was obtained from *Random Lengths* for the eastern-spruce-pine-fir (ESPF) commonly produced in Quebec, and from the British Columbia Ministry of Forest's published market pricing system (MPS) lumber values for western-spruce-pine-fir (WSPF). Inland freight was deducted from the delivered price for ESPF. The prices for WSPF were considered by the petitioners to be ex-mill prices and no deductions were made. For a more detailed discussion of the deductions and adjustments relating to home market price, U.S. price and sources of data, see *Initiation Checklist*. Should the need arise to use any of this information in our preliminary or final determinations as facts available under section 776 of the Act, we may re-examine the information and revise the margin calculations, if appropriate.

Although the petitioners provided information on home market prices, they also provided information demonstrating reasonable grounds to believe or suspect that sales of softwood lumber in Canada were made at prices below the fully absorbed cost of production (COP), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

We note that the WSPF prices provided appear not to be Canada-specific prices. The MPS lumber values are obtained by the British Columbia Ministry of Forests from B.C. lumber producers. However, the petition does not indicate that these prices are in any way restricted to sales in Canada. The petitioners acknowledge this, but contend the MPS lumber values

<sup>4</sup> The margins calculated using these prices, revised by the Department as described in the *Initiation Checklist*, would range from 31.52–49.44 percent.

represent conservative prices based on anecdotal evidence that a Canada-specific price would be lower. For purposes of examining the below-cost allegation, we have not considered the WSPF prices. However, we note that they are unnecessary, as the petitioners were able to demonstrate sales below cost using other domestic prices contained in the petition.

Pursuant to section 773(b)(3) of the Act, cost of production (COP) includes cost of manufacturing, selling, general and administrative expenses, and packing. The petitioners based the cost of materials, fabrication and packing on the experience of certain petitioning companies, adjusted for known differences in costs between the United States and Canada, and publicly available Canadian industry data. The petitioners estimated per-unit selling, general and administrative expenses using data from Tembec Industries Inc.'s (Tembec) 2000 financial statements.<sup>5</sup> The petitioners estimated the per-unit financial expense using data from the 2000 financial statements of Tembec's parent company, Tembec Inc. We adjusted the petitioners' calculation of depreciation by using the amount from Tembec's forest products line of business rather than the company as a whole, which includes results from non-subject merchandise such as pulp, publishing paper, paperboard products, and chemicals. See *Initiation of Cost Investigation* section, below.

Based upon the comparison of the home market prices of the foreign like product to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Because the NV petitioners used for the softwood lumber sales is below the COP, the petitioners based NV on CV. The petitioners calculated CV incorporating the same costs used for the COP. We made the same depreciation adjustment for CV that was made for COP. The petitioners included an amount for CV profit which was based on the profit of the Canadian producer's financial statements. We adjusted the petitioner's calculation of profit by using profit from the forest products line of business rather than the company as a whole, which includes results from non-subject merchandise such as pulp, publishing paper, paperboard products, and

<sup>5</sup> The petitioners chose Tembec because it is one of the largest softwood lumber producers within Canada and operates mills in British Columbia, Quebec, and Ontario.

chemicals. Based upon the comparison of EP to CV, the estimated dumping margins, as adjusted by the Department, range from 0.60 to 37.64 percent.

#### Initiation of Cost Investigation

As noted above, pursuant to section 773(b) of the Act, the petitioners provided specific factual information demonstrating reasonable grounds to believe or suspect that sales in the Canadian home market were made at prices below the fully absorbed COP and, accordingly, requested that the Department conduct a country-wide sales-below-COP investigation. The Statement of Administrative Action accompanying the URAA, H.R. Doc. 103-412 (SAA), states that an allegation of sales below COP need not be specific to individual exporters or producers. The SAA states that "Commerce will consider allegations of below-cost sales in the aggregate for a foreign country, just as Commerce currently considers allegations of sales at less than fair value on a country-wide basis for purposes of initiating an antidumping investigation." See SAA at 833.

Further, the SAA provides that "new section 773(b)(2)(A) retains the current requirement that Commerce have 'reasonable grounds to believe or suspect' that below cost sales have occurred before initiating such an investigation. 'Reasonable grounds' \* \* \* exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices." *Id.* Based upon the comparison of the adjusted prices from the petition for the representative foreign like products to their costs of production, we find the existence of "reasonable grounds to believe or suspect" that sales of the foreign like product in Canada were made below the COP within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating the requested country-wide cost investigation.

#### Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of certain softwood lumber products from Canada are being, or are likely to be, sold at less than fair value.

#### Critical Circumstances

In their submission, the petitioners claim that, following the March 31, 2001, expiration of the U.S.-Canada Softwood Lumber Agreement (SLA), there is a reasonable basis to believe or

suspect that critical circumstances will exist with regard to imports of softwood lumber from Canada.

Section 733(e)(1) of the Act states that, if a petitioner alleges critical circumstances, the Department will find that such circumstances exist, at any time after the date of initiation, when there is a reasonable basis to believe or suspect that under subparagraph (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h) of the Department's regulations defines "massive imports" as imports that have increased by at least 15 percent over the imports during an immediately preceding period of comparable duration. Section 351.206(i) of the regulations states that "relatively short period" will normally be defined as the period beginning on the date the proceeding begins and ending at least three months later.

The petitioners allege that importers knew, or should have known, that lumber was being sold at less than its fair value. Specifically, the petitioners allege margins, as adjusted by the Department, as high as 37.64 percent, a level high enough to impute importer knowledge that merchandise was being sold at less than its fair value. Additionally, they state that there is likely to be material injury by reason of such sales, and have submitted numerous documents, including news articles in the lumber trade press published over the past several months, that warn of antidumping and countervailing duty cases and discuss the threat of additional price declines and substantial material injury to the U.S. industry.

The petitioners request that the Department immediately begin reviewing import data of the subject merchandise and that the Department request the U.S. Customs Service to compile information on an expedited basis regarding entries of subject merchandise. We note that section 732(e) of the Act states that when there is a reasonable basis to believe or suspect (1) there is a history of dumping in the United States or elsewhere of the subject merchandise, or (2) the person by whom, or for whose account, the

merchandise was imported knew, or should have known, that the exporter was selling the subject merchandise at less than its fair value, the Department may request the Commissioner of Customs to compile information on an expedited basis regarding entries of the subject merchandise.

Taking into consideration the foregoing, we will analyze this matter further and continue to monitor imports of softwood lumber from Canada. If, at any time, the criteria for a finding of critical circumstances are established, we will issue a critical circumstances finding at the earliest possible date. See *Policy Bulletin 98/4*, 63 FR 55364, (October 15, 1998) (determination of critical circumstances may be made any time after initiation).

#### Allegations and Evidence of Material Injury, Causation and Threat of Material Injury

The petitions allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than NV. The petitioners contend that the industry's injured condition is evident in the declining trends in production, employment, sales, and income. The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, lost sales and revenues, and pricing information. The petitioners also allege the imminent threat of material injury, based on the likely increases in production volume of Canadian softwood lumber and the inventory levels of such merchandise, the likelihood of substantially increased imports, and the prices of these imports having the likely effect of depressing or suppressing domestic prices of softwood lumber. We have assessed the allegations and supporting evidence regarding material injury, causation, and the threat of material injury, and we have determined that these allegations are properly supported by accurate and adequate evidence and meet the statutory requirements for initiation. See Attachment II of the *Initiation Checklist*.

#### Initiation of Antidumping Investigation

Based upon our examination of the petition on certain softwood lumber products from Canada, and the petitioners' response to our supplemental questionnaire clarifying the petition, we have found that the petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether

imports of certain softwood lumber products from Canada are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended, we will make our preliminary determination no later than 140 days after the date of this initiation.

#### Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the petition has been provided to the representatives of the Government of Canada.

#### International Trade Commission Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

#### Preliminary Determination by the ITC

The ITC will determine, no later than May 17, 2001, whether there is a reasonable indication that imports of certain softwood lumber products from Canada are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 777(i) of the Act. Effective January 20, 2001, Bernard T. Carreau is fulfilling the duties of the Assistant Secretary for Import Administration.

April 23, 2001.

**Bernard T. Carreau,**

*Deputy Assistant Secretary, Import Administration.*

[FR Doc. 01-10688 Filed 4-27-01; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-122-839]

#### Notice of Initiation of Countervailing Duty Investigation: Certain Softwood Lumber Products from Canada

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

**EFFECTIVE DATE:** April 30, 2001.

**FOR FURTHER INFORMATION CONTACT:** Eric B. Greynolds at (202) 482-6071 or James Terpstra at (202) 482-3965, Office of AD/CVD Enforcement VI, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### Initiation of Investigation

##### The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department of Commerce (the Department) regulations are references to the provisions codified at 19 CFR part 351 (2001).

##### The Petition

On April 2, 2001, the Department received a petition filed in proper form by the Coalition for Fair Lumber Imports Executive Committee,<sup>1</sup> the United Brotherhood of Carpenters and Joiners, and the Paper, Allied-Industrial, Chemical and Energy Workers International Union (collectively, the petitioners). On April 20, 2001, the petition was amended to include the following four companies individually as petitioners: Moose River Lumber Co., Shearer Lumber Products, Shuqualak Lumber Co. and Tolleson Lumber Co., Inc. The Department received information supplementing the petition during the twenty-day initiation period. In accordance with section 702(b) of the Act, petitioners allege that Canadian producers of softwood lumber products received countervailable subsidies within the meaning of section 701 of the Act, and that such imports are materially injuring an industry in the United States.

The Department finds that the petitioners have standing to file this petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C), (D) and (E) of the Act and have demonstrated sufficient industry support with respect to the countervailing duty investigation that they are requesting the Department to initiate. *See Determination of Industry Support for the Petition*, below.

##### Scope of Investigation

The products covered by this investigation are softwood lumber, flooring and siding (softwood lumber products). Softwood lumber products

include all products classified under headings 4407.1000, 4409.1010, 4409.1090, and 4409.1020, respectively, of the Harmonized Tariff Schedule of the United States (HTSUS), and any softwood lumber, flooring and siding described below. These softwood lumber products include:

(1) Coniferous wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of a thickness exceeding six millimeters;

(2) Coniferous wood siding (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed;

(3) Other coniferous wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges or faces (other than wood mouldings and wood dowel rods) whether or not planed, sanded or finger-jointed; and

(4) Coniferous wood flooring (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rabbeted, chamfered, V-jointed, beaded, molded, rounded or the like) along any of its edges or faces, whether or not planed, sanded or finger-jointed.

Although the HTSUS subheadings are provided for convenience and U.S. Customs purposes, the written description of the merchandise under investigation is dispositive.

During our review of the petition, we discussed the scope with the petitioners to ensure that it accurately reflects the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations (62 FR 27323), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments within twenty days after the date of publication of this notice in the **Federal Register**. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period for scope comments is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determination.

<sup>1</sup> The Coalition for Fair Lumber Imports Executive Committee is comprised of Hood Industries, International Paper Company, Moose River Lumber Company, New South Incorporated, Plum Creek Timber Company, Polatch Corporation, Seneca Sawmill Company, Shearer Lumber Products, Shuqualak Lumber Company, Sierra Pacific Industries, Swift Lumber Incorporated, Temple-Inland Forest Products, and Tolleson Lumber Company, Incorporated.