

Manufacturer/exporter	Margin (percent)
Dong Won Metal Co., Ltd	14.14
Dae-Lim Trading Co., Ltd	1.69
Sam Yeung Ind. Co., Ltd	31.23
Ssang Yong Ind. Co., Ltd	31.23
Cheflene Corporation	31.23
B.Y Enterprise, Ltd	31.23
Clad Co., Ltd	31.23
Sae Skwang Aluminum Co., Ltd ..	31.23
East One Co., Ltd	31.23
East West Trading Korea, Ltd	31.23
Bae Chin Metal Ind. Co	31.23
Han Il Stainless Steel Ind. Co., Ltd	31.23
Il Shin Co., Ltd	31.23
Kyung-Dong Industrial Co., Ltd	31.23
Poong Kang Ind. Co., Ltd	31.23
Namyang Kitchen Flower Co., Ltd	31.23

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within 5 days of the date of publication of this notice. Any interested party may request a hearing within 30 days of the date of publication of this notice. Parties who submit arguments in this proceeding are requested to submit with each argument: (1) A statement of the issue and (2) a brief summary of the argument. All case briefs must be submitted within 30 days of the date of publication of this notice. Rebuttal briefs, which are limited to issues raised in the case briefs, may be filed not later than seven days after the case briefs are filed. Further, we would appreciate it if parties submitting written comments would provide the Department with an additional copy of the public version of any such comments on diskette. A hearing, if requested, will be held two days after the date the rebuttal briefs are filed or the first business day thereafter.

The Department will publish a notice of the final results of this administrative review, which will include the results of its analysis of the issues raised in any written comments, within 120 days from the publication of these preliminary results.

The Department shall determine, and Customs shall assess, antidumping duties on all appropriate entries. The Department will issue appraisal instructions directly to Customs. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the determination and for future deposits of estimated duties. We have calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping margins calculated for the examined sales to the entered value of sales used to calculate those duties. We will direct

Customs to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis*, i.e., less than 0.5 percent.

Furthermore, the following deposit requirements will be effective upon completion of the final results of these administrative reviews for all shipments of top-of-stove stainless steel cooking ware from Korea entered, or withdrawn from warehouse, for consumption on or after publication date of the final results of these administrative reviews, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed companies will be the rate established in the final results of this administrative review, except if the rate is less than 0.5 percent *ad valorem* and, therefore, *de minimis*, no cash deposit will be required; (2) for exporters not covered in this review, but covered in the original LTFV investigation or a previous review, the cash deposit rate will continue to be the company-specific rate published in the most recent period; (3) if the exporter is not a firm covered in this review, a previous review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous reviews or the LTFV investigation, the cash deposit rate will be 8.10 percent, the "all-others" rate established in the LTFV investigation. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) of the Department's regulations to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This administrative review and this notice are in accordance with sections 751(a)(1) 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: January 30, 2001.

Bernard T. Carreau,

Deputy Assistant Secretary, AD/CVD Enforcement II.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-857, A-201-828]

Notice of Initiation of Antidumping Duty Investigations: Welded Large Diameter Line Pipes From Mexico and Japan

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

ACTION: Initiation of antidumping duty investigations.

EFFECTIVE DATE: February 23, 2001.

FOR FURTHER INFORMATION CONTACT: Rick Johnson (Mexico) or Nancy Decker (Japan) at (202) 482-3818 and (202) 482-0196, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

Initiation of Investigations

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's regulations are references to the provisions codified at 19 CFR Part 351 (2000).

The Petitions

On January 10, 2001, the Department of Commerce (the Department) received petitions filed in proper form by the following parties: Berg Steel Pipe Corp., American Steel Pipe Division of American Cast Iron Pipe Company, and Stupp Corporation (collectively "petitioners"). Additionally, one other domestic producer, although a non-petitioner, issued a statement supporting the petition. The Department received information from the petitioners supplementing the petition on January 22, January 24, January 26, and January 29, 2001.

In accordance with section 732(b) of the Act, the petitioners allege that imports of welded large diameter line pipes (hereafter referred to as LDLP)

from Mexico and Japan 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 filed these petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and have demonstrated sufficient industry support with respect to each of the antidumping investigations that they are requesting the Department to initiate (see the *Determination of Industry Support for the Petitions* section below).

Scope of Investigations

The product covered by this investigation is welded carbon and alloy line pipe, of circular cross section and with an outside diameter greater than 16 inches in diameter, whether or not stencilled. This product is normally produced according to American Petroleum Institute (API) specifications, including Grades A25, A, B, and X grades ranging from X42 to X80, but can also be produced to other specifications. The product currently is classified under U.S. Harmonized Tariff Schedule (HTSUS) item numbers 7305.11.10.30, 7305.11.10.60, 7305.11.50.00, 7305.12.10.30, 7305.12.10.60, 7305.12.50.00, 7305.19.10.30, 7305.19.10.60, and 7305.19.50.00. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope is dispositive. Specifically not included within the scope of this investigation is American Water Works Association (AWWA) specification water and sewage pipe.

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 parties to submit such comments by February 20, 2001. 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 of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determinations.

Determination of Industry Support for the Petitions

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, to

determine whether the petition has the requisite 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.¹

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 title." 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.

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.

¹ 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 Therefore from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380-81 (July 16, 1991).

For Mexico and Japan, the petitioners established industry support representing over 50 percent of total production of the domestic like product. Therefore, the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product, and the requirements of section 732(c)(4)(A)(i) are met. Furthermore, because the Department received no opposition to the petition, the domestic producers or workers who support the petition account for 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. Thus, the requirements of section 732(c)(4)(A)(ii) are also met.

Accordingly, the Department determines that the petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. See *Industry Support Attachment to the Initiation Checklist*.

Mexico

Normal Value

The Mexican producers named in the petition are Procarsa SA de CV, Productora Mexicana de Tuberia SA de SV, Tubacero SA, Tuberia Laguna SA de CV, and Tubesa SA de CV. In order to calculate normal value (NV), the petitioners provided an affidavit and supporting documentation listing home market price quotes from one Mexican producer for merchandise which falls within the scope of the petition. These quotes were obtained by a foreign market researcher during the period of investigation. Based on the terms of the price quotes, petitioners made no adjustments to normal value.

Export Price

The petitioners based export price (EP) on average unit value (AUV) data gathered from IM-145 import statistics. Using the month of September 2000, they compared the one HTSUS ten-digit category which corresponds to the products described in the calculation of NV. Petitioners maintain that this methodology is appropriate because the NV was based on price quotes which would be most contemporaneous with September entries. For the purposes of initiation, the Department has based EP on the weighted-average AUVs for the HTSUS category corresponding to the HTSUS category used as the basis for NV using all available data for the calendar year 2000 (i.e., January through November). This decision is consistent with Department practice in other cases in which import statistics were used as

the basis for EP. *See, e.g., Initiation of Antidumping Duty Investigations: Certain Hot-Rolled Carbon Steel Flat Products From Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China (the PRC), Romania, South Africa, Taiwan, Thailand, and Ukraine, et. al.*, 65 FR 77568, 77571 (December 12, 2000).

Petitioners then deducted an amount for foreign inland freight, which was a simple average of the separate freight quotes from a Mexican producer, to arrive at a net EP. However, for the purposes of initiation, the Department has adjusted petitioners' foreign inland freight calculation. Specifically, we have adjusted for the difference in distances between: (1) The rate supplied by petitioners; and (2) the distance between the Mexican producer from which the rates were obtained and the presumed ports of export for the merchandise, based on the actual U.S. ports of entry. *See* Attachment B to the *Initiation Checklist*.

Based upon the comparison of EP to NV, the petitioners' estimated dumping margin, as adjusted by the Department, is 49.86 percent.

Japan

Normal Value

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners based NV for sales in Japan on CV because they could not obtain corresponding home market prices. The petitioners calculated CV by using publicly available cost information from a Japanese producer, information from a U.S. surrogate, and other sources. The amount calculated for CV consisted of COM and SG&A expenses. Consistent with 773(e)(2) of the Act, the petitioners added to CV an amount for profit which was based upon a Japanese producer's financial statements.

Export Price

The petitioners were unable to obtain specific sales or offers for sale of subject merchandise in the United States. Therefore, the petitioners based EP on the average unit values ("AUV") for one ten-digit category of the HTSUS accounting for approximately 40 percent of in-scope imports for consumption from Japan. The petitioners calculated the import AUV using the reported quantity and customs value for imports as recorded in the U.S. Census Bureau's official IM-145 import statistics. In their calculation of estimated dumping margins, the petitioners based EP on import statistics covering the first three quarters of 2000. For the purposes of initiation, the Department has based EP

on the weighted-average AUVs for the HTSUS category corresponding to the HTSUS category used as the basis for NV using all available data for the calendar year 2000 (*i.e.*, January through November). This decision is consistent with Department practice in other cases in which import statistics were used as the basis for EP. *See, e.g., Initiation of Antidumping Duty Investigations: Certain Hot-Rolled Carbon Steel Flat Products From Argentina, India, Indonesia, Kazakhstan, the Netherlands, the People's Republic of China (the PRC), Romania, South Africa, Taiwan, Thailand, and Ukraine, et. al.*, 65 FR 77568, 77571 (December 12, 2000). We note that customs import value as defined by Technical Documentation for US Exports and Imports of Merchandise on CD-ROM excludes U.S. import duties, freight, insurance and other charges incurred in bringing the merchandise to the United States.

Based upon the comparison of EP to CV, the petitioners calculated an estimated dumping margin of 30.80 percent.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of LDLP from Mexico and Japan are being, or are likely to be, sold at less than fair value.

Allegations and Evidence of Material Injury and Causation

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 individual and cumulated imports of the subject merchandise sold at less than NV. The petitioners contend that the industry's injured condition is evident in the significant increases in imports of LDLP from Mexico and Japan, a shrinking portion of market share, and declining volumes in production, shipment, and capacity utilization. The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, lost sales, and pricing information. We have assessed the allegations and supporting evidence regarding material injury and causation, and have determined that these allegations are properly supported by accurate and adequate evidence and meet the statutory requirements for initiation (*see Initiation Checklist* at Attachment II Re: Material Injury).

Initiation of Antidumping Investigations

Based upon our examination of the petitions on LDLP, and the petitioners' responses to our supplemental

questionnaire clarifying the petitions, we have found that they meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of LDLP from Mexico and Japan 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 determinations no later than 140 days after the date of this initiation.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of each petition has been provided to the representatives of the governments of Mexico and Japan. We will attempt to provide a copy of the public version of each petition to each exporter named in the petition, as appropriate.

International Trade Commission Notification

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

Preliminary Determinations by the ITC

The ITC will determine, no later than February 24, 2001, whether there is a reasonable indication that imports of LDLP from Mexico and Japan are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and 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.

Dated: January 30, 2001.

Bernard T. Carreau,

Deputy Assistant Secretary, AD/CVD Enforcement II.

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