

Period of Investigation

The period of these investigations ("POI") is August 1, 1999, through July 31, 2000.

Facts Available

In the *Preliminary Determinations*, the Department based the dumping margins for the exporters in the three SSA cases (*i.e.*, companies to which the Department issued the antidumping questionnaire) on facts otherwise available, pursuant to section 776(a)(2) of the Act. These following exporters received company-specific rates: Daido Steel Co., Ltd. ("Daido"), Aichi Steel Corporation ("Aichi"), and Sumitomo Metal Industries, Ltd., ("Sumitomo") (respondents in the SSA case from Japan); Bae Myung Metal Co., Ltd. ("Bae Myung") and SK Global Co., Ltd. ("SK Global") (respondents in the SSA case from Korea); Roldan, S.A. ("Roldan") (respondent in the SSA case from Spain).

The use of facts otherwise available was required because the record for each SSA case did not contain company-specific information, given the respondents' failure in each SSA case to respond to the Department's antidumping questionnaire. *See Preliminary Determinations*, 64 FR at 2883. For purposes of the *Preliminary Determinations*, the Department also found that, in each SSA case, each of the respondents failed to cooperate by not acting to the best of its ability to comply with the Department's request for information within the meaning of section 776(b) of the Act. Accordingly, the Department determined to use an adverse inference in selecting from among the facts otherwise available. *See id.* Specifically, the Department assigned to the respondents in these cases the highest margins alleged in the petition or as recalculated by the Department, which were corroborated as required by section 776(c) of the Act (*see id.*). Following the *Preliminary Determinations*, interested parties did not file any comments and have not objected either to the Department's decision to use adverse facts available for the respondents in these investigations or to the Department's choice of facts available. Accordingly, for the reasons discussed in the *Preliminary Determinations*, for these final determinations the Department is continuing to apply adverse facts available to each of the respondents in each case and to use the highest margins alleged in the petition or as recalculated by the Department for the respondents in these cases. *See, e.g., Notice of Final Determination of Sales at Less Than*

Fair Value: Certain Expandable Polystyrene Resins from Indonesia, 65 FR 69285 (November 16, 2000). In addition, the Department has left unchanged from the *Preliminary Determinations* the "All Others Rate" in each SSA case, which is the average of all the rates provided in the petition or in amendments to the petition.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend all entries of SSA from Japan, Korea, and Spain that are entered, or withdrawn from warehouse, for consumption on or after January 12, 2001, the date of publication of our *Preliminary Determinations*. The Customs Service shall require a cash deposit or the posting of a bond equal to the dumping margins, as indicated in the chart below. These instructions will remain in effect until further notice. The dumping margins for each LTFV proceeding are as follows:

	Weighted-average margin percentage
Exporter/Manufacturer (Japan):	
Daido	114.51
Aichi	114.51
Sumitomo	114.51
All Others	70.48
Exporter/Manufacturer (Korea):	
Bae Myung	99.56
SK Global	99.56
All Others	40.21
Exporter/Manufacturer (Spain):	
Roldan	61.45
All Others	24.32

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our final determinations. As our final determinations are affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that such injury does exist, the Department will issue antidumping duty orders directing the Customs Service to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information

disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These determinations are published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: March 16, 2001.

Timothy J. Hauser,

Acting Under Secretary for International Trade.

[FR Doc. 01-7315 Filed 3-22-01; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[Docket No. 970424097-1069-06]

RIN: 0625-ZA05

Market Development Cooperator Program

AGENCY: International Trade Administration (ITA), Commerce.

ACTION: Notice.

SUMMARY: The ITA of the U.S. Department of Commerce (the Department) requests that eligible organizations submit proposals (applications) for the fiscal year (FY) 2001 Market Development Cooperator Program (MDCP) competition. The ITA creates economic opportunity for U.S. workers and firms by promoting international trade, opening foreign markets, ensuring compliance with U.S. trade laws and agreements, and supporting U.S. interests at home and abroad. The Department administers the MDCP to build public/private export marketing partnerships. The MDCP is a competitive matching grants program that provides Federal assistance to export multipliers such as state trade departments, trade associations, chambers of commerce, World Trade Centers and other non-profit industry organizations that are particularly effective in reaching small-and medium-size enterprises (SMEs).

MDCP awards help to underwrite the start-up costs of new export marketing ventures which these groups are often reluctant to undertake without Federal Government support. The MDCP aims to:

- Challenge the private sector to think strategically about foreign markets;
- Be the catalyst that spurs private-sector innovation and investment in export marketing; and

- Increase the number of American companies, particularly SMEs, taking decisive export actions.

Partnerships enable the Federal Government to pool expertise and funds with non-Federal sources so that each maximizes its market development resources. They can also sharpen the focus on long-term export market development better than traditional trade promotion activities. These partnerships are also a mechanism for improving government-industry relations.

While the Department sponsors, guides and partially funds MDCP projects, it expects applicants to develop, initiate and provide matching funding to carry out market development project activities. As an active partner, the Department will, as appropriate, provide assistance that the applicant identifies as essential to the achievement of project goals and objectives.

Examples of activities that might be included in an applicant's project proposal are described below under "I. Program Description". The Department encourages applicants to propose activities that (1) would be most appropriate to the market development needs of their industry or industries; and (2) display the imagination and innovation of the applicants working in partnership with the government to obtain the maximum market development impact.

DATES: Public Meeting: The Department will hold a public meeting to discuss MDCP proposal preparation, procedures, and selection process on Wednesday, April 18, 2001. The meeting will begin at 10 a.m. in Room 3407, at the Herbert Clark Hoover Building, 14th and Constitution Avenue, NW., Washington, DC. No discussion of specific proposals will occur at this meeting. Attendance at this public meeting by potential applicants is not required.

Applications: Complete applications must be received no later than 5 p.m. Eastern Daylight Time, May 18, 2001. Late applications will not be accepted. They will be returned to the sender.

As set forth under III.B.2. *Number of Copies*, ITA is requesting one original application, plus seven (7) copies. Applicants for whom this is a financial hardship should submit an original and two copies. Send the application to the address listed below under "For Further Information Contact."

FOR FURTHER INFORMATION CONTACT: Mr. Brad Hess, Manager, Market Development Cooperator Program, Trade Development, ITA, U.S.

Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 3215, Washington, D.C. 20230, (202) 482-2969. The e-mail address is Brad_Hess@ita.doc.gov. The fax number is (202) 482-4462.

Information Online: Information on the Internet is available at <http://www.export.gov/mdcp>.

Application Kit: A kit with all forms necessary to participate in the MDCP application process is available at the Internet address identified above. This application kit also may be obtained via first-class mail by sending a legible mailing address to the "Contact" address listed above. The address as received will serve as the label for mailing a reply.

Pre-Application Counseling: Applicants with questions should contact the Department as soon as possible, while continuing to prepare their proposals. The Department will not extend the deadline for submitting applications.

Once the annual announcement is published in the **Federal Register**, the Department does not provide applicants or potential applicants with guidance regarding the merits of their applications or potential applications. Between the date of the announcement and the deadline for submitting applications, the Department may respond to potential applicants's questions regarding eligibility, technical issues, procedures, general information and referral. For example, the Department may refer a potential applicant to sources for market research on a foreign market identified by the potential applicant. However, to continue the example, the Department may not comment on the merits of including that market in its proposal, or suggest an alternative market.

SUPPLEMENTARY INFORMATION: Authority: The Omnibus Trade and Competitiveness Act of 1988, Public Law 100-418, Title II, sec. 2303, 102 Stat. 1342, 15 U.S.C. 4723.¹

Catalog of Federal Domestic Assistance (CFDA): No. 11.112, Market Development Cooperator Program.

I. Program Description

The goal of the MDCP as set out in authorizing legislation is to develop, maintain, and expand foreign markets for nonagricultural goods and services produced in the United States.² For

purposes of this program, nonagricultural goods and service means goods and services other than agricultural products as defined in 7 U.S.C. 451.³

A. Examples of Successful Proposals

Applicants should propose activities that would be most appropriate to the market development needs of the relevant U.S. industry. Examples of activities which applicants from prior years have found appropriate are set forth below. These are provided only for illustration. Applicants are not required to propose any of these activities.

1. Participating in overseas trade exhibitions and trade missions to promote U.S. exports, and/or hosting reverse trade missions;

2. Developing a website to connect international customers to U.S. companies through a "virtual trade show."

3. Conducting U.S. product demonstrations abroad;

4. Conducting export seminars in the United States or market penetration seminars in the market(s) to be developed;

5. Establishing technical trade servicing that helps foreign buyers choose the right U.S. goods or services and to use them efficiently;

6. Conducting joint promotions of U.S. goods or services with foreign partners;

7. Opening an overseas office to perform development services for companies who agree to participate. Such an office should not duplicate the programs or services of the U.S. and Foreign Commercial Service (US&FCS) post(s) in the region, but could include co-location with a US&FCS Commercial Center;

8. Detailing a private-sector representative to a US&FCS post in accordance with 15 U.S.C. 4723(c);

9. Training foreign nationals to perform after-sales service or to act as distributors for U.S. goods or services;

10. Improving market access for U.S. goods or services by working with organizations in the foreign marketplace responsible for setting standards and product testing;

least 50 percent of the value of the good or service to be exported. The intended beneficiaries of the program are U.S. producers of non-agricultural goods or services that seek to export such goods or services. See "Trade Mission Application Form" ITA Form 4008P-1 (Rev. 8/97).

³ This definition includes "agricultural, horticultural, viticultural, and dairy products, livestock and the products thereof, the products of poultry and bee raising, the edible products of forestry, and any and all products raised or produced on farms and processed manufactured products thereof * * *"

¹ Unless otherwise noted, all legal authorities cited in this notice may be accessed via the Internet at <http://www.access.gpo.gov/> or at <http://www.secure.law.cornell.edu/federal/>.

² "Produced in the United States" means having substantial inputs of materials and labor originating in the United States, such inputs constituting at

11. Publishing an export resource guide or an export product directory for the U.S. industry or industries in question, if no comparable one exists; and

12. Establishing an electronic business information system to identify overseas trade leads and facilitate matches with foreign partners for U.S. businesses.

B. Funding

1. Type of Funding Instrument:

Because the Department will be substantially involved in the implementation of each project for which an award is made, the funding instrument for this program will be a cooperative agreement.

2. *Funding Availability:* For FY 2001, the total funds expected to be available for this program are \$2.0 million. The Department expects to conclude a minimum of five (5) cooperative agreements with eligible entities for this competition. No award will exceed \$400,000, regardless of the duration of the cooperative agreement.

3. *Matching Requirements:* To receive MDCP funding, the applicant must contribute at least two dollars for each Federal dollar provided. So, for each Federal dollar of MDCP funding, the applicant must make at least one dollar of new cash outlays expressly for the project. The balance of the applicant's support may consist of in-kind contributions (goods and services).⁴

a. *Minimum Match:* An example of the minimum match is set forth below. An applicant requesting \$200,000 of Federal funds must supply, at a minimum, \$200,000 of new cash outlays expressly for the project. As illustrated below, the remaining \$200,000 of the required match, can be made up of additional new cash outlays or in-kind contributions.

Item	Federal share	Applicant match
Cash	200,000	200,000
Cash or In-kind	200,000
Total	200,000	400,000

This example would establish a cost-share ratio of two-to-one, two applicant dollars for each dollar of Federal funds. The applicant assumes $\frac{2}{3}$ of the total cost. In other words, 67 percent of the funding is provided by the applicant and 33 percent by the Federal Government. This means that the

applicant will receive one dollar for every three dollars in project expenditures.

b. *Additional Match:* Applicants may propose projects for which the matching funding exceeds two applicant dollars to each Federal dollar. However, as set forth below, this will increase the cost-share ratio.

Item	Federal share	Applicant match
Cash	200,000	200,000
Cash or In-kind	400,000
Total	200,000	600,000

This example would establish a cost-share ratio of three-to-one, three applicant dollars for each dollar of Federal funds. The applicant assumes $\frac{3}{4}$ of the total cost. In other words, 75 percent of the funding is provided by the recipient and 25 percent by the Federal Government. This means that the applicant will receive one dollar for every four dollars in project expenditures.

4. *In-Kind Contributions:* In the proposed budget, all in-kind contributions used to meet the applicant's share of costs are listed in a separate column from cash contributions. Applicants must describe these in-kind contributions separately in the application and in sufficient detail to determine that the requirements of 15 CFR part 14.23(a), or 15 CFR part 24.24 (a) and (b) are met.

5. *Third Party Contributions:* In order for an award recipient to outlay cash contributed by a third party, the third party must transfer the funds to the recipient. Otherwise, expenditures for goods and services contributed by a third party are considered to be in-kind contributions.

6. *Indirect Costs:* Federal funds may be used for a portion of the direct costs of each project, but not for indirect costs. Generally, direct costs result from activity specifically associated with an award, and usually include expenses such as personnel, fringe benefits, travel, equipment, supplies and contractual obligations relating directly to program activity. By contrast, indirect costs are generally those costs that are incurred regardless of whether there is activity associated with an award. These are often referred to as "overhead" and usually include expenses such as rent, electricity, and gas.

Federal funds may be used only to cover direct costs. The applicant must incur and pay direct costs that equal or exceed the amount of Federal funds. However, any portion of the balance of applicant's match that does not exceed

the levels set forth below in I.B.7.

Indirect Cost Rate. may be used to cover indirect costs. For example, an applicant that requests \$200,000 of Federal funds, must structure its match to include at least \$200,000 of direct costs. The balance of the match up to the level of direct costs, in this case \$200,000, may be comprised entirely or partially of indirect expenses, as explained in greater detail below, under "Indirect Cost Rate."

Costs	Federal share	Applicant match
Direct	200,000	200,000
Indirect or Direct	200,000
Total	200,000	400,000

The Department will determine allowable costs on the basis of the applicable cost principles and definitions in OMB Circulars A-21, A-87, and A-122; in 45 CFR Part 74, Appendix E; and in 48 CFR Part 31.⁵

7. *Indirect Cost Rate:* The Department funds cannot be used to pay indirect costs. The total dollar amount of the indirect costs proposed in an application under this program (using recipient funds) must not exceed the amount calculated using the indirect cost rate and negotiated and approved by a cognizant Federal agency⁶ prior to the proposed effective date of the award or 100 percent of the total proposed direct costs dollar amount in the application, whichever is less.⁷

8. *Fee Income:* Applicants may charge companies in the industry or other industry organizations reasonable fees to take part in or avail themselves of services provided as part of applicants' project. Applicants should describe in detail any plans to charge fees. Fees generated under the award are program income and must be used for project-related purposes during the award period. Fee income may be used as cash match.

9. Approved Pre-Award-Period

Expenditure: As a general matter, award recipients can request reimbursements only for costs incurred during the award

⁵ Access OMB circulars and forms at <http://www.whitehouse.gov/omb/grants/index.html>. Appendix E referred to on this OMB site is not listed separately. It is found at the end of 45 CFR 74.91, which may be accessed directly at http://www.access.gpo.gov/nara/cfr/waisidx_99/45cfr74_99.html.

⁶ If the applicant does not have a current approved indirect cost rate from another Federal agency, and the Department of Commerce will be the largest funding Federal agency, the Department will work with a winning applicant to establish an indirect cost rate.

⁷ Information on calculating an indirect cost rate is available at <http://www2.dol.gov/dol/oasam/public/programs/guide.htm>.

⁴ Recipient cash contributions are defined in 15 CFR Part 14, Sec. 14.2(g) as the award "recipient's cash outlay, including the outlay of money contributed to the recipient by third parties."

period. However, if proposed in the application, award recipients can expend funds to attend an award-recipient orientation meeting even if it precedes the beginning of the award period. This orientation is usually held in Washington, D.C. soon after the awards are announced. It is usually the first opportunity for award recipients to meet members of the Department's team. This expenditure of funds prior to the beginning of the award period is limited to allowable expenses (e.g., air fare and lodging) associated with attending the orientation.

10. Fees for Some Government Services: By winning an MDCP award, an applicant enters into a special relationship with ITA. (See *I.C.1. Project Team* below.) To fulfill its part of the partnership, ITA will provide, where possible, its resources to support project activities included in annual operating plans. (See *I.C.3. Annual Operating Plan* below.) However, ITA's ability to provide assistance free of charge is limited. For some services such as market research studies and Gold Key services, ITA is required to charge fees that recover costs. Applicants requiring ITA services that could involve charges should make provision in their budgets for such charges.

Information relating to charges for services provided in specific overseas markets can be obtained by contacting the Senior Commercial Officer (SCO) at each overseas post. Information relating to charges for services provided by Export Assistance Centers (EACs) throughout the United States can be obtained by contacting the relevant EAC director. The names of SCOs and EAC directors, and often the specific fees, can be found on the Internet at <http://www.usatrade.gov>.

C. Administration of Award Activity

1. Project Team: To administer each cooperative agreement, a project team is established including key personnel from the award-winning organization and officials from the Department who can help the award-winner achieve MDCP project objectives. If representatives from other Federal agencies can make a meaningful contribution to the achievement of project objectives, they are invited to participate on the project team.

Each project team acts as a "board of directors" establishing direction for the project, recommending changes in the direction of the project, when necessary, and determining the mode of project operations and other management processes, coupled with close monitoring or operational involvement

during the performance of project activities.

2. Award Period: Funds may be expended over the period of time required to complete the scope of work, but not to exceed three years from the start date of the award.

3. Annual Operating Plan: At the beginning of each year of the award period, the project team negotiates an annual operating plan, which is based on the work plan submitted in the application. The work plan sets forth a timetable for specific activities. In addition to this timetable, the annual operating plan includes team responsibilities for accomplishing each activity, and the budgeted cost of each activity. Annual operating plans are not part of the application. They are developed only after receipt of an award and designation of an ITA project team.

II. Eligibility

A. Definition of Eligible Entity

U.S. trade associations, non-profit industry organizations, state departments of trade and their regional associations are eligible to apply for an MDCP cooperative agreement. In cases where no entity described above represents the industry, private industry firms or groups of firms, may be eligible to apply for an MDCP cooperative agreement. Such private industry firms or groups of firms must provide in their application documentation demonstrating that no entity in the first three categories listed below represents their industry.

1. Trade Association: For the purpose of this program, a "trade association" is defined as a fee-based organization consisting of member firms in the same industry, or in related industries, or which share common commercial concerns. The purpose of the trade association is to further the commercial interests of its members through the exchange of information, legislative activities, and the like.

2. Non-Profit Industry Organization: For the purpose of this program, a "non-profit industry organization" is:

- a. A non-profit small business development center operating under agreement with the Small Business Administration; or
- b. A non-profit World Trade Center chartered or recognized by the non-profit World Trade Centers Association⁸; or
- c. An organization that has been granted status as a non-profit organization under Title 26 U.S.C.

⁸ A description of the World Trade Centers Association is available on the Internet at <http://www.worldtradecenter.org>.

Section 501(c) (3), (4), (5), or (6) and operates as one of the following:

- (1) A local, state, regional, or national chamber of commerce,
- (2) A local, state, regional, or national board of trade,
- (3) A local, state, regional, or national business, export or trade council/interest group,
- (4) A local, state, regional, or national visitors bureau or tourism promotion group,
- (5) A local, state, regional, or national economic development group,
- (6) A small business development center, or
- (7) A port authority.

3. State Departments of Trade and Their Regional Associations: For the purpose of this program, "state departments of trade and their regional associations" include:

- a. A department of a state government tasked with promoting trade; or
- b. Associations of the departments of trade of two or more states; or
- c. Entities within a state or within a region of a state that are associated with a state department of trade including non-profit, non-private, non-commercial entities which are at least partially funded by, directed by, or tasked by a state government to promote trade.

4. Special Note Regarding Educational Institutions: Educational institutions such as schools, colleges, and universities, are generally not eligible. However, organizations that are part of an educational institution for administrative, financial, legal, or logistical reasons, but not independent legal entities—for example, an organization which is not incorporated—which otherwise may be classified above under 1. *Trade Association*, 2. *Non-Profit Industry Association*, or 3. *State Departments of Trade and Their Regional Associations*, above are eligible.

In such a case, the eligible entity should include in its application a signed letter stating that the MDCP funds would be used only by the eligible entity for the purposes outlined in its application, and that no such funds would be used by or retained by the educational institution, even though the funds may need to go through the educational institution because of the eligible entity's lack of a separate accounting system or lack of status as a separate legal entity.

B. Eligibility of Previous Award Recipients

The program aims to increase the sum of Federal and non-Federal export market development activities by using program funds to encourage new

initiatives. MDCP funds are not intended to replace funds from other sources, nor are these funds intended to replace MDCP funding from a previous award.

Eligible organizations that have previously received an MDCP award may propose a new project or expansion of an existing project. *See IV.A.4. Creativity and Capacity* below.

C. Determination of Eligibility

1. *Request for Determination:* Prospective applicants should resolve questions regarding eligibility by requesting an eligibility determination. Requests should be made in writing accompanied by the most current version of all of the following documents that apply:

- a. Articles of incorporation;
- b. Charter;
- c. Bylaws;
- d. Information on types of members and membership fees;
- e. Internal Revenue Service acknowledgment of non-profit status;
- f. Annual report;
- g. Audited financial statements; and
- h. Documentation of ties to state trade departments or their regional associations.

Prospective applicants should submit eligibility determination requests as soon as possible if they wish to have determinations prior to the application submission deadline. This deadline will not be extended, and applicants should continue to work on applications while awaiting the Department's eligibility determination.

2. *Joint Ventures:* Entities may join together to submit an application as a joint venture and to share costs. For joint venture applicants, one organization meeting the above eligibility criteria must be designated as the prospective MDCP award recipient organization for administrative purposes. For example, two trade associations representing different segments of a single industry or related industries may pool their resources and submit one application. Foreign businesses and private groups also may join with eligible U.S. organizations to submit applications and to share the costs of proposed projects.

3. *Benefit to All Companies:* The Department will accept applications from eligible entities representing any industry, subsector of an industry or related industries. Each applicant must permit all companies in the industry targeted in its proposal to participate in all activities that are scheduled as part of a proposed project whether or not the company is a member or constituent of the eligible organization.

III. Applications

A. Format

The basic elements of the application are set forth below. Additional instructions and required forms are provided in the Application Kit. *See* the "For Further Information Contact" section for instructions on getting the Application Kit.

1. *Executive Summary:* The first element of the application is a one-page summary of the proposal. In accordance with *IV.B.2. Staff Review* above, the Department will distribute the executive summaries to its experts to solicit comments on applications. This summary may take the form of straight text, another visual information display (such as a table), or a mixture of both. Regardless of how the applicant chooses to structure the summary, it should communicate the essence of the application proposal including the following:

- a. Applicant's name and location of headquarters;
- b. Name of partnership organizations joining applicant in its application;
- c. Federal offices with which an applicant envisions working;
- d. Amount of Federal funds requested;
- e. Total project budget;
- f. Proposed term of the project;
- g. Foreign markets targeted;
- h. U.S. industry or industry clusters to be promoted; and
- i. Brief description of the proposed activities and methods.

2. *Background Research:* Developing a project plan requires solid background research. Applications should reflect the findings of the applicant's study of the following:

- a. The market potential of the U.S. good(s) or service(s) to be promoted in a particular market(s);
- b. The competition from host-country and third-country suppliers; and
- c. The economic situation and prospects that bear upon the ability of a country to import the U.S. good(s) or service(s).

Applicants should present an assessment of industry resources that can be brought to bear on developing a market; the industry's ability to meet potential market demand expeditiously; and the industry's after-sales service capability in a particular foreign market(s).

3. *Project Description:* After describing their completed basic research, applicants should develop marketing plans that set forth the overall objectives of the projects and the specific activities applicants will undertake as part of these projects.

a. *Work Plan:* The project description should include a list of specific activities planned, including: (1) the different phases of the project, identifying each milestone and activity in chronological order; (2) the location where activities will take place; and (3) the ways the applicant intends to involve the Department of Commerce and/or other Federal agencies as partners in project activities.

Applicants should also explain any fees to be charged to entities which benefit from or participate in project activities and services.

b. *Performance Measures:* (1) *Applicant-Designed Performance Measures:* In order to demonstrate the success of their projects, applicants are encouraged to develop and utilize performance measures which would reasonably gauge the success of the project. Each recipient of an award should be prepared to record and report the results achieved from project activities.

(2) *Government Performance and Results Act Measures:* On August 3, 1993, the Government Performance and Results Act (GPRA) was enacted into law (Public Law 103-62). GPRA requires each Federal agency to submit a strategic plan for program activities to OMB. Among other things, each strategic plan must include "performance indicators to be used in measuring or assessing the relevant outputs, service levels and outcomes of each program activity." While not abandoning outputs (units of products, including services, of an activity) as a measure of achievement, OMB directed agencies to focus more on outcomes (the resulting effect of the use or application of an output) as the primary indicator of the success of programs and activities.

The Department reports results using the GPRA measures defined for its programs and activities. Many of these measures apply only to the programs and activities of the Department and have little relevance to the activities of MDCP award winners. Other measures may have applicability to MDCP projects. ITA is in the process of revising its GPRA performance measures. GPRA performance measures, against which MDCP award winners will be required to measure their projects, will be provided to new award winners prior to their commencing award activities.

(3) *Performance Measure Reporting Requirements:* Award recipients will be expected to use any applicant-designed measures as well as the GPRA performance measures in their quarterly reports.

(4) Performance Measure Recording and Reporting System: Each applicant should describe its recording and reporting system in its proposal. Ultimately, it is the success of individual companies that determines the project's export success. Therefore, applicants should demonstrate how they plan to ensure that participant companies, and any other sources of export success information, will provide performance information to the applicant.

c. Partnership: Applications should display the imagination and innovation of the private sector working in partnership with the government to obtain the maximum market development impact. As noted under *C.1. Project Team* above, each applicant that wins an award will work with an ITA team leader and other team members from the Department. Team members from other Federal agencies also may be invited to participate. Applicants must describe in detail all assistance expected from the Department or other Federal agencies to implement project activities successfully.

d. Project Funding Priorities: Project proposals must be compatible with U.S. trade and commercial policy. In addition, applicants are encouraged to address the priorities set forth below when developing their applications. An application does not need to focus on a specific number of these priorities to qualify for an award. It is conceivable that an applicant could do a superb job focusing on only one of the priorities and receive an award.

The international trade priorities listed below are the priorities referred to in *IV.A.3. Priorities and Partnership*. The Department is interested in receiving proposals which include projects that:

(1) Increase trade opportunities by opening markets through the development of new trade agreements, the support of World Trade Organization negotiations, the removal of non-tariff barriers, or the development of commercial infrastructure in emerging economies;

(2) Broaden and deepen participation of the private sector in exporting by increasing overall export awareness and awareness of ITA programs and services among U.S. companies, by making small and medium size enterprises (SMEs) export-ready or by facilitating deal-making;

(3) Ensure fair competition by combating dumping and subsidy of imports or by ensuring compliance with trade agreements;

(4) Support the Administration's broader foreign policy objectives through trade-related initiatives;

(5) Promote the use of e-commerce, in particular projects that make SMEs aware of the unique advantages e-commerce presents as a low-cost, low-risk tool to overcome SME reluctance to pursue marketing opportunities in and profit from foreign markets;

(6) Increase "hands-on" export education designed for SMEs through:

(a) Developing educational tools such as curricula and media, and/or

(b) Providing company-specific assistance such as export business plan development, market research, customs counseling, competitive position assessment, trade event preparation, foreign distribution alliances, and securing financing; and

(7) Develop non-traditional approaches to creating demand for the products/services developed from new U.S. technologies.

4. Credentials: Applicants must demonstrate the ability to provide an established, competent, experienced staff and other resources to assure adequate development, supervision, and execution of the proposed project activities. Each applicant must provide a description of the membership/qualifications, structure and composition of the eligible entity, the degree to which the entity represents the industry or industries in question, and the role, if any, foreign membership plays in the affairs of the eligible entity. Applicants should summarize both the recent history of their industry's or industries' competitiveness in the international marketplace and the export promotion history of the eligible entity and its partners that intend to work on the project. This should include a resume for the project director and principal staff and a projection of the amount of time each professional will devote to the project.

5. Finance and Budget: In addition to Form 424A "Budget Information—Non-Construction Programs", applicants will provide a detailed budget for the project award period, supporting worksheets and explanations, a discussion of financial systems and projections, a history of financial programs, financial and organizational documents, and any additional evidence of financial responsibility.

Applicants must provide their most recent audited financial statements. If the applicant is a sub-unit of an audited entity, in addition to the financial statements of the audited entity, the applicant should provide financial statements at the most specific level available, whether or not these are

audited. If the applicant's most recent financial statements are not audited, it should submit the most recent unaudited financial statements and a statement indicating whether it currently has an auditor and when it plans to issue audited financial statements.

6. Forms: The Application Kit includes the following forms which must be completed and included in an application: forms SF-424 Application for Federal Assistance, SF-424A Budget Information—Non-Construction Programs, SF-424B Assurances—Non-Construction Programs, CD-346 Applicant for Funding Assistance; and forms SF-LLL, CD-511, and CD-512, which are described below under *V.A. Other Requirements*.

7. Appendices: Appendices should be tabbed or otherwise marked for easy reference. Applicants should include in their appendices, whatever material they deem helpful. For ease of reference, the Department recommends that the types of documents listed below be included as appendices rather than in the main body of the application.

a. The portion of the application defined above in *III.A.5. Finance and Budget*.

b. The forms noted above in *III.A.6. Forms*.

c. The determination of eligibility that an applicant has received from the Department. If the applicant has not received such a determination, it must include in the appendices the documents requested in *II.C.1. Determination of Eligibility* above.

d. Letters of support for the project. Including these as appendices may make it easier for all reviewers to find such letters in the same place in the application. The Department's standard practice for letters of support submitted separately is to make them available to reviewers.

e. News media contacts. When the Department announces awards, it informs the news media through a press release, usually from the Secretary of Commerce. Including news media contacts as an application appendix is not required, but doing so will help the Department publicize the success of the award winners. The most useful information to include in the appendix is the fax number and email address of the news media contacts of interest to the applicant. These would include such information dissemination outlets as local newspapers, trade publications, local broadcast stations, and industry websites.

f. Comparison between the proposed project and all current or past projects for which the applicant receives or has

received MDCP funding. As set forth in *IV.A.4. Creativity and Capacity*, only applicants that are current or past MDCP award recipients must include this comparison in their application.

B. Submission of Applications

1. *Number of Pages:* The main body of the application is limited to 50 pages. There is no limit on the number of pages for appendices. The main body of the application should include the substance of the applicant's proposal as identified in *III.A.1.* through *III.A.4.* above.

Each page of the main body should be numbered. Tabbing and numbering of pages included as appendices facilitates application review.

2. *Number of Copies:* Each applicant must submit a signed original application plus two copies. The Department encourages applicants to submit five additional copies as well for a total of seven (7) copies. Several copies will be needed in order for the Department to complete its evaluation. (As noted below under *IV.B. Evaluation and Selection Procedures*, four Selection Panel members and several Department staff will review each application.) However, if submitting seven (7) copies creates a financial hardship, applicants may submit the minimum of two copies plus the original.

If an applicant submits an original and two copies or any other number of copies greater than two and less than seven (7), the Department will make additional copies to allow all reviewers to read each application. However, the Department cannot guarantee that the copies will include features that are not easily reproduced on standard photocopy machines. For example, tabs might not be inserted, color pages might be reproduced in black and white, fold-out pages might not fold out, unusually sized (not 8.5" x 11") pages might be broken up, and the copies might be bound with staples or clips instead of the binding used for applicant-submitted material.

3. *Distinguish Between Copies and Original:* The Department needs to distinguish between the original application and copies. In order to facilitate processing of submitted applications, the Department recommends that applicants write or stamp "original" on the cover page of the original.

C. Retention of Applications

1. *Award Winners:* For each award winner, the Department of Commerce will retain the application for seven years after the award file is closed out. Copies of winning applications are

distributed to project team members for their use in managing projects.

2. *Unsuccessful and Ineligible Applicants:* For each eligible application which does not win an award, and for each application determined to be ineligible, the Department of Commerce will retain the signed original of the application for seven years and will destroy the copies.

3. *Late Applications Returned to Sender:* Late applications are not accepted or retained. They are returned to the sender. However, the Department will retain a copy of the cover page or transmittal letter for seven years.

IV. Evaluation and Selection

A. Evaluation Criteria

The Department is interested in projects that demonstrate the possibility of both significant results during the project period and lasting benefits extending beyond the project period. To that end, consideration for financial assistance under the MDCP will be based upon the following evaluation criteria:

1. *Export Success Potential:* Potential of the project to generate export success stories and/or export initiatives in both the short-term and medium-term. For purposes of this program, an export initiative is defined as a significant expenditure of resources (time, people, or money) by the Chief Executive Officer (CEO) of a company in the active pursuit of export sales. Examples of export initiatives include, but are not limited to, the following:

- a. Participating in an overseas trade promotion event;
- b. Hiring an export manager;
- c. Establishing an export department;
- d. Exploring a new market through an overseas trip by the chief executive officer;
- e. Developing an export marketing/business plan;
- f. Translating product literature into a foreign language;
- g. Making product modifications to comply with foreign market requirements;
- h. Commissioning an in-depth market research study;
- i. Promoting the adoption of U.S. standards;
- j. Advertising in a foreign business publication;
- k. Undertaking an overseas direct-mail campaign to create product awareness;
- l. Signing an agent/distributor;
- m. Getting introduced to a potential foreign buyer;
- n. Signing an export contract/filling an export order;

o. Entering into a strategic alliance⁹ with a foreign firm; or

p. Co-locating with a US&FCS Commercial Center.

Applicants should provide detailed explanations of projected results of the project.

2. *Performance Measures:* Projected increase (multiplier effect) in the number of U.S. companies operating in the market(s) selected, particularly SMEs, and the degree to which the project will help the industry in question increase or maintain market share in the market(s) selected.

Applicants should provide quantifiable estimates of projected increases and explain how they are derived.

3. *Priorities and Partnership:* The degree to which the proposal furthers or is compatible with the Department's priorities stated under *III.A.3.d.* Partnership above and the degree to which the proposal initiates or enhances partnership with the Department.

4. *Creativity and Capacity:* Creativity, innovation, and realism displayed by the work plan as well as the institutional capacity of the applicant to carry out the work plan.

a. Creativity and innovation can be displayed in a variety of ways. Applicants might propose projects that include ideas not previously tried to promote a particular industry's goods or services in a particular market. Creativity can be demonstrated by the manner in which techniques are customized to meet the specific needs of certain client groups. A proposal can be creative in the way it brings together the strengths and resources of partners participating in project activities. Further, projects that focus on market development are inherently more creative than projects that focus only on export promotion. Market development is the process of identifying or creating emerging markets or market niches and modifying products to penetrate those markets. Market development is demand driven and designed to create long-term export capacity. In addition to promoting current sales of existing products, market development promotes future sales and future products.

b. MDCP awards are designed to help underwrite the start-up costs of new export marketing ventures which applicants might not be able to undertake without an MDCP award.

⁹ A collaboration of one company with another company that can provide resources to achieve corporate, economic and strategic goals. One benefit of strategic alliances is reciprocal access to more than one market. For example, firms in two different markets can agree to market each other's non-competing products in their respective "home" markets.

Accordingly, in determining an applicant's creativity and innovation, the Selection Panel will consider that applicant's current or past MDCP-funded projects. Current or past MDCP award recipients can be in a position to earn the maximum number of points under this criterion only if they propose projects that are entirely new.

In order for the Selection Panel to determine whether the project proposed by a current or past MDCP recipient is entirely new, the current or past winner must provide as a separate appendix a comparison between the elements of the proposed project and the elements of the applicant's current or past MDCP-funded projects. Current or past MDCP award recipients that propose projects that are not entirely new will receive fewer points under this criterion than they would receive otherwise.

In determining the number of points under this criterion, the Selection Panel will consider the level to which a particular applicant has incorporated elements of its previously funded MDCP projects. To do this, applicants that are current or past MDCP award recipients will indicate the approximate amount of resources devoted to each project element. These resources should be reported as a percentage of the total project in the comparison chart described above under this criterion. For example, if an applicant received an MDCP award in 1995 and spent approximately \$400,000 of a total \$1,000,000 project budget on opening an office in Beijing, it could report that 40 percent of the resources of its 1995 project went to opening its Beijing office.

c. *Institutional capacity* will be measured by what each applicant puts in its proposal. A current or past MDCP recipient is under the same obligation as a new applicant to demonstrate its ability to achieve the levels of performance set forth in its application. As with all evaluation criteria, the Department will evaluate institutional capacity using its standard evaluation procedures, including *IV.B.2 Staff Review*. The Department will also consider information available to it as it relates to *V.A.2. Past Performance* below. However, a current or past MDCP award recipient should not assume that success with a prior MDCP award will automatically be taken into account by the Department when reviewing its application. Each applicant must document its institutional capacity in its application.

5. *Budget and Sustainability*: Reasonableness of the itemized budget for project activities, the amount of the cash match that is readily available at

the beginning of the project, and the probability that the project can be continued on a self-sustained basis after the completion of the award.

Current or past MDCP recipients who propose an expansion of an existing project must show how the expansion will achieve self-sustainability independent of current or past projects funded under the MDCP.

Each of the above criteria is worth a maximum of 20 points. The five criteria together constitute the application score. At 20 points per criterion, the total possible score is 100.

B. Evaluation and Selection Procedures

Office of Planning Coordination and Resource Management (OPCRM) staff will review each application for completeness as soon as practicable after the application is received. The applicant is responsible for submitting a complete application in a timely manner.

Prior to selection, each complete application receives a thorough evaluation. The steps of the evaluation and selection process are set forth below.

1. *Eligibility Determination*: OPCRM staff, in consultation with the Department's Office of General Counsel, reviews all applications to determine the eligibility of each applicant. If an applicant's eligibility is in question, the applicant is contacted to supply additional information or clarification.

2. *Staff Review*: The OPCRM Director invites comments on applications from relevant offices within the Department (e.g., Trade Development (TD), Market Access & Compliance (MAC), and US&FCS). This review allows the Department experts in the industry sector or geographical region to assess the claims made in the applications. The Department staff comments provide insights into both the potential benefits and the potential difficulties associated with the applications.

3. *OPCRM Review*: At least three representatives of OPCRM review and comment on all applications using the evaluation criteria identified above. The MDCP Manager prepares for the Selection Panel a review packet including the applications, a summary of OPCRM staff comments, and comments by the Department staff. The OPCRM and Department staff comments afford the Selection Panel the insights and breadth of experience of Department professionals. However, they have no official weight, and the Selection Panel is free to consider or disregard them as it sees fit.

4. *Selection Panel Composition*: The MDCP Manager forwards all of the

eligible applications, along with all related materials, to the Selection Panel of senior managers at the Department. This panel is chaired by the OPCRM Director and typically includes three other members, one each from the Department's TD, MAC, and US&FCS units. Panel members are Office Directors or higher.

5. *Selection Panel Scoring*: Each Selection Panel member reviews each eligible application and assigns a score for each of the five criteria stated above. The scores of each Selection Panel Member for each application reviewed are maintained in the files for seven years. The individual criteria scores are averaged to determine the total score for each application.

6. *Ranked Recommendation*: Based on the scores assigned by Selection Panel members and deliberations by the Selection Panel, the Selection Panel forwards the applications with the ten highest total scores to the Assistant Secretary for Trade Development and recommends which of the ten proposals should receive funding. The Selection Panel's recommendation will not deviate from the rank order. This means, for example, that the Selection Panel cannot recommend funding for the application ranked seventh without recommending funding for applicants ranked first through sixth.

The Selection Panel recommendation includes the Panel's written assessment of the strengths and weaknesses of the top ten applications.

7. *Selection of Applications for Funding*: From the top ten applications forwarded by the Selection Panel, the Assistant Secretary for Trade Development selects those applications which will receive funding. In addition to the criteria in *IV.A. Evaluation Criteria* above, the Assistant Secretary for Trade Development may consider the following in making decisions:

a. The scores of individual Selection Panel members and the Selection Panel's written assessments;

b. The degree to which applications satisfy the Department priorities as established under *III.A.3.d. Project Funding Priorities* above;

c. The geographic distribution of the proposed awards;

d. The diversity of industry sectors and overseas markets covered by the proposed awards;

e. The diversity of project activities represented by the proposed awards;

f. Avoidance of redundancy and conflicts with the initiatives of other Federal agencies; and

g. The availability of funds.

C. Announcement of Award Decisions

Award winners will be notified by letter. Once award winners formally accept their awards, the Department will issue a press release and list the award winners at the MDCP Internet address.

Within ten days of the announcement of the issuance of the press release, unsuccessful applicants will be notified in writing and invited to receive a debriefing from MDCP officers.

V. Other Requirements and Classification

A. Other Requirements

1. *Federal Policies and Procedures:* Recipients and subrecipients are subject to all Federal laws and Federal and Department of Commerce policies, regulations, and procedures applicable to Federal financial assistance awards.

2. *Past Performance:* Unsatisfactory performance under prior Federal awards may result in an application not being considered for funding.

3. *Pre-Award Activities:* Except as noted above in *I.B.9. Approved Pre-Award-Period Expenditure*, if applicants incur any costs prior to an award being made, they do so solely at their own risk of not being reimbursed by the government. Notwithstanding any verbal or written assurance that they may have received, there is no obligation on the part of the Department of Commerce to cover pre-award costs.

4. *No Obligation for Future Funding:* If an application is selected for funding, the Department of Commerce has no obligation to provide any additional future funding in connection with that award. Renewal of an award to increase funding or extend the period of performance is at the total discretion of the Department of Commerce.

5. *Delinquent Federal Debts:* No award of Federal funds shall be made to an applicant who has an outstanding delinquent Federal debt until either:

- a. The delinquent account is paid in full;
- b. A negotiated repayment schedule is established and at least one payment is received; or
- c. Other arrangements satisfactory to the Department are made.

6. *Name Check Review:* All applicants are subject to a name check review process. Name checks are intended to reveal if any key individuals associated with the applicant have been convicted of or are presently facing criminal charges such as fraud, theft, perjury, or other matters which significantly reflect on the applicant's management honesty or financial integrity. The name check review process is based on information

applicants provide in Form CD-346 "Applicant for Funding Assistance".

7. *Primary Applicant Certifications:* All primary applicants must submit a completed Form CD-511, "Certifications Regarding Debarment, Suspension and Other Responsibility Matters; Drug Free Workplace Requirements and Lobbying". Explanations are provided below.

a. *Non-Procurement Debarment and Suspension:* Prospective participants (as defined at 15 CFR part 26, section 105) are subject to 15 CFR part 26, "Nonprocurement Debarment and Suspension" and the related section of the certification form prescribed above applies;

b. *Drug-Free Workplace:* Grantees (as defined at 15 CFR part 26, section 605) are subject to 15 CFR part 26, subpart F, "Government wide Requirements for Drug-Free Workplace (Grants)" and the related section of the certification form prescribed above applies;

c. *Anti-Lobbying:* Persons (as defined at 15 CFR part 28, section 105) are subject to the lobbying provisions of 31 U.S.C. 1352, "Limitations on use of appropriated funds to influence certain Federal contracting and financial transactions," and the lobbying section of the certification form prescribed above applies to applications/bids for grants, cooperative agreements, and contracts for more than \$100,000, and loans and loan guarantees for more than \$150,000, or the single family maximum mortgage limit for affected programs, whichever is greater; and

d. *Anti-Lobbying Disclosures:* Any applicant that has paid or will pay for lobbying using any funds must submit Form SF-LLL, "Disclosure of Lobbying Activities," as required under 15 CFR part 28, Appendix B.

8. *Lower Tier Certifications:* Recipients shall require applicants/bidders for sub-grants, contracts, subcontracts, or other lower tier covered transactions at any tier under the award to submit, if applicable, a completed Form CD-512, "Certifications Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions and Lobbying" and disclosure Form SF-LLL, "Disclosure of Lobbying Activities." Form CD-512 is intended for the use of recipients and should not be transmitted to the Department. SF-LLL submitted by any tier recipient or sub-recipients should be submitted to the Department in accordance with the instructions contained in the award document.

9. *False Statements:* A false statement on an application is grounds for denial or termination of funds and grounds for possible punishment by a fine or

imprisonment as provided in 18 U.S.C. 1001.

10. Intergovernmental Review:

Applications under this program are not subject to Executive Order 12372, "Intergovernmental Review of Federal Programs."

11. *Buy American-Made Equipment and Products:* Applicants are hereby notified that they will be encouraged, to the greatest extent practicable, to purchase American-made equipment and products with funding provided under this program.

12. *Fly America Act:* All award recipients must comply with the provisions of the Fly America Act, 49 U.S.C. 40118.

B. Classification

This notice has been determined to be not significant for purposes of Executive Order 12866. The standard forms referenced in this notice are cleared under OMB Control No. 0348-0043, 0348-0044, 0348-0040, and 0348-0046 pursuant to the Paperwork Reduction Act. Notwithstanding any other provision of law, no person is required to respond nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number.

Dated: March 20, 2001.

Jerome S. Morse,

Director, Resource Management and Planning Staff, Office of Planning, Coordination and Resource Management, Trade Development, International Trade Administration, Department of Commerce.

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DEPARTMENT OF DEFENSE

[OMB Control Number 0704-0248]

Information Collection Requirements; Defense Federal Acquisition Regulation Supplement; Material Inspection and Receiving Report

AGENCY: Department of Defense (DoD).

ACTION: Notice and request for comments regarding a proposed extension of a approved information collection requirement.

SUMMARY: In compliance with Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), DoD announces the proposed extension of a public information collection requirement and seeks public comment on the provisions