

Notices

Federal Register

Vol. 66, No. 191

Tuesday, October 2, 2001

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-831, A-122-840, A-729-802, A-428-832, A-560-815, A-201-830, A-841-805, A-791-813, A-274-804, A-823-812, A-307-821]

Notice of Initiation of Antidumping Duty Investigations: Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela

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

ACTION: Initiation of antidumping duty investigations.

EFFECTIVE DATE: October 2, 2001.

FOR FURTHER INFORMATION CONTACT: Charles Riggle (Brazil, Canada, Mexico, South Africa, Trinidad and Tobago, and Venezuela), Robert James (Germany), Steve Bezirgianian (Indonesia), Abdelali Elouaradia (Egypt and Moldova), and James Doyle (Ukraine) at (202) 482-0650, (202) 482-0649, (202) 482-1131, (202) 482-1374, and (202) 482-0159, 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, as amended (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 (2001).

The Petition

On August 31, 2001, the Department of Commerce (the Department) received a petition filed in proper form by the following parties: Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, the petitioners). The Department received information supplementing the petition from the petitioners throughout the 20-day initiation period.

In accordance with section 732(b) of the Act, the petitioners allege that imports of carbon and certain alloy steel wire rod (CASWR) from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela 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, or are threatening to materially injure, an industry in the United States.

The Department finds that the petitioners filed this petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and 771(9)(D) 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 Petition* section below.)

Scope of Investigations

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus,

more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0090, 7227.90.6051 and 7227.90.6058 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

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.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 subtitle." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation,"

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

i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition. Moreover, the petitioners do not offer a definition of domestic like product distinct from the scope of the investigation.

The petition covers carbon and certain steel wire rod as defined in the *Scope of the Investigation* section, above, a single class or kind of merchandise. 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: Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela* (September 24, 2001) (*Initiation Checklist*). To estimate total domestic production of steel wire rod, the petitioners relied on data compiled by the ITC,² adjusted upward by five percent to include an estimate of production of products excluded from Presidential Proclamation 7273. In a letter dated September 7, 2001, the petitioners provided support for the five

percent adjustment in the form of an affidavit from an industry representative familiar with the excluded products.

On September 14, 2001, the Department received comments regarding industry support from Ispat-Sidbec Inc., a Canadian producer of steel wire rod. The petitioners responded to these comments in a letter to the Department dated September 18, 2001. Further, on September 21, 2001, the petitioners submitted a letter adding the support of Nucor Corp., a domestic producer of steel wire rod, for the petitions.

The Department has reviewed the comments of Ispat-Sidbec Inc., and the petitioners. In order to estimate production for the domestic industry as defined for purposes of this case, the Department has relied upon not only the petition and amendments thereto, but also upon "other information" it obtained through research and described in Attachment 1 of the *Initiation Checklist*. Based on information from these sources, the Department determined, pursuant to section 732(c)(4)(D), that there is support for the petition as required by subparagraph (A). Specifically, the Department made the following determinations. For Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela, 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 the *Initiation Checklist*.

Export Price and Normal Value

The following are descriptions of the allegations of sales at less than fair value upon which the Department has based its decision to initiate these investigations. The sources of data for the deductions and adjustments relating to home market price, U.S. price,

constructed value (CV) and factors of production (FOP) are detailed in the *Initiation Checklist*. Where the petitioners obtained data from foreign market research, we contacted the researchers to establish their credentials and to confirm the validity of the information being provided. See *e.g.*, *Memorandum to the File from Mike Strollo: Contacts with Source of Market Research for Antidumping Petition Regarding Imports of CASWR from Egypt* (September 24, 2001) (*Market Research for Egypt*). Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we may re-examine the information and revise the margin calculations, if appropriate.

The margins calculated using these methodologies are as follows: Brazil, 53.97 to 94.73 percent; Canada, 3.72 to 15.91 percent; Egypt, 14.95 to 59.64 percent; Germany, 37.79 to 99.32 percent; Indonesia, 72.96 to 122.57 percent; Mexico, 29.63 to 40.52 percent; Moldova, 172.89 percent; South Africa, 13.32 percent; Trinidad and Tobago, 60.12 to 87.27 percent; Ukraine 101.92 percent; Venezuela, 12.68 to 21.02 percent.

Because the Department considers the country-wide import statistics for the anticipated period of investigation (POI) and price quotes based on market research used to calculate the estimated margins for the subject countries to be sufficient for purposes of initiation, we are initiating these investigations on these bases, as discussed below and in the *Initiation Checklist*.

Period of Investigation

The anticipated POI for the market economy countries is July 1, 2000, through June 30, 2001, while the anticipated POI for Moldova and Ukraine, the non-market economy (NME) countries, is January 1, 2001, through June 30, 2001.

Non-Market Economies

Regarding an investigation involving an NME, the Department presumes, based on the extent of central government control in an NME, that a single dumping margin, should there be one, is appropriate for all NME exporters in the given country. See, *Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Moldova (Rebar from Moldova)*, 66 FR 33525 (June 22, 2001) and *Notice of Final Determination of Sales at Less Than Fair Value: Solid Agricultural Ammonium Nitrate from Ukraine (Nitrate from Ukraine)*, 66 FR 38632 (July 25, 2001). In the course of

² *Certain Steel Wire Rod*, Inv. No. TA-204-06, Final Staff Report dated August 2, 2001, Table II-2 at II-4.

these investigations, all parties will have the opportunity to provide relevant information related to the issues of Moldova's and Ukraine's NME status and the granting of separate rates to individual exporters.

Brazil

Export Price

The petitioners based export price (EP) on price quotes from Brazilian producers to an unaffiliated U.S. purchaser for different grades and sizes of subject merchandise and calculated a net U.S. price by deducting international freight, customs fees, and U.S. credit expenses.

Normal Value

With respect to normal value (NV), the petitioners provided home market prices that were obtained from foreign market research for grades and sizes of steel wire rod comparable to the products exported to the United States which serve as the basis for EP. The petitioners state that the home market price quotation was FOB plant and they only made an adjustment for home market credit expenses.

The petitioners have provided information demonstrating reasonable grounds to believe or suspect that sales of steel wire rod in the home market 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.

The August 31, 2001, petitions included factors to adjust labor costs. These factors were based on the differences in labor costs between the U.S. and the country in question, reflecting data that are recent and contemporaneous, but for periods prior to 2000 (including U.S. data from IA's website). In subsequent filings, petitioners calculated revised factors in an effort to account for inflation through 2000. We have used the factors from the August 31, 2001 petitions. The petitions also included factors used to adjust natural gas and electricity costs. These factors were based on differences in costs between the United States and the country in question, reflecting recent, but pre-2000, annual data. In subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the

factors as presented in the August 31, 2001 petitions.

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (COM); selling, general, and administrative expenses (SG&A); and packing expenses. The petitioners calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce steel wire rod in the United States and in Brazil. To calculate SG&A and financial expenses, petitioners relied upon amounts reported in the 2000 consolidated income statements of Gerdau S.A. and Companhia Siderurgica Belgo Minieras, two Brazilian CASWR producers. Based upon a comparison of the prices of the foreign like product in the home market 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. Accordingly, the Department is initiating a country-wide cost investigation.

The estimated dumping margin for Brazil based on a comparison between EP and home market price is in the range of 53.97 to 92.53 percent. Based upon the comparison of EP to CV, we calculated an estimated dumping margin in the range of 59.29 to 94.73 percent for Brazil.

Canada

Export Price

The petitioners based EP on price quotes from a Canadian producer to an unaffiliated U.S. purchaser for different grades and sizes of subject merchandise and calculated a net U.S. price by deducting international freight, customs fees, and U.S. credit expenses.

Normal Value

With respect to NV, the petitioners provided home market prices that were obtained from foreign market research for grades and sizes of steel wire rod comparable to the products exported to the United States which serve as the basis for EP. The petitioners state that the home market price quotation was FOB plant and they only made an adjustment for home market credit expenses.

The petitioners have provided information demonstrating reasonable grounds to believe or suspect that sales of steel wire rod in the home market were made at prices below the fully absorbed cost of production, within the meaning of section 773(b) of the Act, and requested that the Department

conduct a country-wide sales-below-cost investigation.

The August 31, 2001 petitions included factors used to adjust natural gas and electricity costs. These factors were based on differences in costs between the United States and the country in question, reflecting recent, but pre-2000, annual data. In subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the factors as presented in the August 31, 2001 petitions. As the factors for labor rates have not changed from the August 31, 2001 petition, we have not needed to adjust labor rates.

Pursuant to section 773(b)(3) of the Act, COP consists of COM, SG&A, and packing expenses. The petitioners calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce steel wire rod in the United States and in Canada. To calculate SG&A and financial expenses, petitioners relied upon amounts reported in the 2000 consolidated income statements of Sidbec-Dosco (Ispat) Inc., a Canadian CASWR producer. Based upon a comparison of the prices of the foreign like product in the home market 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. Accordingly, the Department is initiating a country-wide cost investigation.

The estimated dumping margins for Canada based on a comparison between EP and home market price range from 3.72 to 15.91 percent. Based upon the comparison of EP to CV, we calculated an estimated dumping margin of 9.45 percent.

Egypt

Export Price

To calculate export price (EP), petitioners obtained a price quote for CASWR produced in Egypt by Alexandria National Iron & Steel Company (Alexandria) for sale to the United States. The price quote obtained was in U.S. dollars per hundred-weight (\$/CWT). The terms of sale for the price quotation obtained by petitioners were ex-works.

Normal Value

To calculate NV, petitioners obtained a price quote for CASWR produced by Alexandria with similar specifications as the U.S. quote. The price quote is on an ex-works basis and therefore does not include transportation charges. The petitioners adjusted this price by subtracting home market credit expenses and adding U.S. credit expenses. Petitioners calculated credit expense using the number of days payment was outstanding based on the payment terms, and the most recently available monthly interest rate reported in the June 2001 edition of the *International Financial Statistics* as published by the International Monetary Fund.

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

Pursuant to section 773(b)(3) of the Act, COP refers to the total cost of producing the foreign like product which includes the COM, SG&A, interest expense, and packing expenses. Because the Egyptian producer's costs are unavailable, petitioners obtained the factors usage by a U.S. surrogate for producing a net ton of grade 1006, 5.5 millimeter in diameter, Industrial Quality CASWR during the POI, adjusted for known differences between the U.S. and Egyptian markets. The adjustment for labor costs was based on International Labor Organization statistics for 1999. The August 31, 2001 petitions included factors to adjust labor costs. These factors were based on the differences in labor costs between the U.S. and the country in question, reflecting data that are recent and contemporaneous, but for periods prior to 2000 (including U.S. data from IA's website). In subsequent filings, petitioners calculated revised factors in an effort to account for inflation through 2000. We have used the factors from the August 31, 2001 petitions. The adjustment for energy costs was based on International Energy Agency statistics. The August 31, 2001 petitions included factors used to adjust natural gas and electricity costs. These factors were based on differences in costs between the United States and the country in question, reflecting recent, but pre-2000, annual data. In

subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the factors as presented in the August 31, 2001 petitions. To calculate SG&A and interest expenses, petitioners relied upon the most recent year-end financial statements of Alexandria (December 31, 1998). The SG&A and interest expense ratios were calculated by dividing total SG&A and net financial expenses (interest expense less short-term interest income) by the cost of goods sold reported in Alexandria's income statement. Based upon the comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made at prices below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

Given the evidence of below-cost sales, petitioners also based NV on CV pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act. The petitioners calculated CV using the same COM and SG&A used to compute Egyptian home market costs. Consistent with section 773(e)(2) of the Act, petitioners included in CV an amount for profit. The petitioners calculated a profit ratio based on the 1998 income statements for Alexandria.

The estimated dumping margin for Egypt based on a comparison between EP and home market price is 14.95 percent. Based upon the comparison of EP to CV, we calculated an estimated dumping margin of 59.64 percent.

Germany*Export Price*

Petitioners obtained a price quote for CASWR from a German producer offered through a reseller to a U.S. customer. The terms of sale were FOB. The price quote was obtained in U.S. dollars per CWT. The U.S. net price was calculated by taking the price from the quote from the German producer of CASWR and subtracting the following: international freight and insurance, U.S. import duty, U.S. merchandise processing fees, U.S. harbor maintenance fees, and U.S. inland freight. Petitioners made adjustments for imputed U.S. credit expenses and commissions.

Normal Value

From a market researcher petitioners obtained home market prices based upon a price quote for CASWR within the scope from a German manufacturer of CASWR to an unaffiliated purchaser. The terms of sale were delivered to customer and payment terms were 60 days. The quoted price was given in Deutschmarks per metric ton. Petitioners deducted freight costs and home market credit expenses. Freight costs were as stated in the given quote. Home market credit expenses were based on published IMF statistics for short-term lending in Germany during the specified month within the POI during which petitioners obtained the price quote. Petitioners also added an amount for estimated commission on the U.S. quote and for imputed U.S. credit expenses. U.S. credit expenses were based on published IMF statistics for short-term lending in Germany during the month in which petitioners obtained the quote.

Petitioners state that they have reason to believe that CASWR is sold in Germany at prices less than COP. To determine COM, petitioners used a U.S. producer's cost of producing CASWR as a surrogate, adjusted for known differences between the U.S. and German markets. The adjustment for labor costs was based on International Labor Organization statistics for 1999. The August 31, 2001 petitions included factors to adjust labor costs. These factors were based on the differences in labor costs between the U.S. and the country in question, reflecting data that are recent and contemporaneous, but for periods prior to 2000 (including U.S. data from IA's website). In subsequent filings, petitioners calculated revised factors in an effort to account for inflation through 2000. We have used the factors from the August 31, 2001 petitions. The adjustment for energy costs was based on International Energy Agency statistics. The August 31, 2001 petitions included factors used to adjust natural gas and electricity costs. These factors were based on differences in costs between the United States and the country in question, reflecting recent, but pre-2000, annual data. In subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the factors as presented in the August 31, 2001 petitions. No adjustment was made for raw material costs, believed to be

comparable between Germany and the U.S. because of the worldwide commodity nature of the raw materials. U.S. producers' overhead costs were used to establish the German COM, SG&A, and interest expense ratios were based on the consolidated income statement of a surrogate German CASWR producer which petitioners believe to be representative of CASWR producers in Germany. The total SG&A expenses and the net financial expenses were divided by the cost of goods sold in order to derive these ratios. Petitioners' comparisons of net home market prices to their calculated COP did not deduct inland freight expenses from the home market gross price; the Department did so. For CV, a profit ratio was derived from the surrogate German CASWR producer's 2000 income statement, which was applied to the COP to determine CV. A circumstance-of-sale adjustment was made to CV for credit expenses.

For Germany, petitioners converted the cost of production and the constructed value, both calculated in U.S. dollars, to marks. For the cost test, petitioners compared the resulting cost of production in marks to the home market price in marks; for the constructed value-based margin calculation, petitioners then converted the constructed value in marks back to U.S. dollars, and compared it to U.S. price. We instead used the original cost of production and constructed value in U.S. dollars, and for the cost test converted the home market price into U.S. dollars. Based upon the comparison of the adjusted prices of foreign like product in the home market 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. Accordingly, the Department is initiating a country-wide cost investigation.

The price-to-price comparison produced an estimated dumping margin of 37.79 percent. The price-to-CV comparison produced a dumping margin of 99.32 percent.

Indonesia

Export Price

Petitioners provided a price quote for CASWR from a wire rod producer in Indonesia. The price quote reflects the price for new orders and the price that the U.S. customer currently pays for deliveries. The export price is the price quote, minus ocean freight and insurance, minus import duties, minus import charges, and minus U.S. inland

freight. Petitioners based U.S. inland freight on the experience of U.S. purchaser of domestic and imported steel wire rod.

Normal Value

Petitioners obtained a price quote for CASWR offered during the POI by an Indonesian producer to an unaffiliated home market customer for wire rod. The price quote sale terms are FOB mill. Petitioners added U.S. imputed credit expenses to normal value to account for differences in imputed credit expenses. Petitioners subtracted ocean freight and insurance, duties, import charges, U.S. inland freight, and commissions to calculate normal value.

Petitioners stated that they have reason to believe that CASWR is sold in Indonesia at prices less than COP. To determine cost of manufacturing, petitioners used a U.S. producer's cost of manufacturing CASWR as a surrogate, adjusted for known differences between the U.S. and Indonesian markets. Production cost data are for the period beginning July 1, 2000 through March 31, 2001. Petitioners state that the quantity of input materials, the cost of raw materials and alloys, and the quantities and values of labor, natural gas, and electricity are based on petitioners' experience. Petitioners stated that they calculated alloy costs by taking the period costs for alloys, divided by the tons rolled. The figure was adjusted to account for the 1006 and 1008 carbon grade costs used in the constructed value calculation. To calculate the scrap offset, petitioners divided the total scrap credit (for all carbon and certain alloy steel wire rod) by the total tons rolled (for all CASWR).

Petitioners calculated a factor to adjust for known cost differences between the Indonesian and the U.S. markets for energy using statistics from the International Energy Agency. The August 31, 2001 petitions included these factors used to adjust natural gas and electricity costs. These factors were based on differences in costs between the United States and the country in question, reflecting recent, but pre-2000, annual data. In subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the factors as presented in the August 31, 2001 petitions. Petitioners calculated factors to adjust for known cost differences between the Indonesian and the U.S. markets for labor based on data from the International Labor

Organization and the World Bank. The August 31, 2001 petitions included factors to adjust labor costs. These factors were based on the differences in labor costs between the U.S. and the country in question, reflecting data that are recent and contemporaneous, but for periods prior to 2000 (including U.S. data from IA's website). In subsequent filings, petitioners calculated revised factors in an effort to account for inflation through 2000. We have used the factors from the August 31, 2001 petitions. Petitioners applied the factory overhead ratios, based on petitioners' experience to the total cost of manufacturing, labor and energy. Petitioners calculated SG&A expenses, interest expenses, and profit using PT Jakarta Kyoei Steel Works Limited (PT Jakarta) 1999 financial statements. Petitioners noted that 2000 financial statements for PT Jakarta are not available, and that 2000 financial statements for other Indonesian producers with sufficient detail for financial expenses are also not publicly available. The Department re-calculated the SG&A ratio and the interest expenses ratio with PT Jakarta's cost of goods sold rather than the total cost of manufacturing calculated by petitioners. Based upon the comparison of the adjusted prices of foreign like product in the home market 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. Accordingly, the Department is initiating a country-wide cost investigation.

The estimated dumping margins for Indonesia based on a comparison between EP and home market price (NV) is 72.96 percent. Based on the comparison of EP to CV, the petitioners calculated the estimated dumping margin to be 122.57 percent.

Mexico

Export Price/Constructed Export Price

The petitioners based EP on affidavits of U.S. price offerings for carbon and certain steel wire rod manufactured by Siderurgica Lazaro Cardenas Las Truchas SA (Sicartsa) from July 1, 2000 to March 31, 2001. In the absence of more definitive information, petitioners refer to the date of the offer as the date of sale. The affidavits with the sales price offers reflect the price offered to an unaffiliated customer prior to the date of importation.

The petitioners calculated a net U.S. price by subtracting estimated costs for international freight and insurance, U.S.

import duty, U.S. merchandise processing and harbor maintenance fees, and where applicable, U.S. inland freight from the port to the first unaffiliated U.S. customer, from the sales price.

Normal Value

Petitioners based NV on CV, alleging pursuant to section 773(b) of the Act that sales in the home market were made at prices below the fully absorbed COP, and requested that the Department conduct a country-wide sales-below-cost investigation.

The petitioners provided information that demonstrated reasonable grounds to believe or suspect that sales of carbon and steel wire rod products in the home market were made at prices below the fully absorbed COP. COP in the antidumping law refers to the total cost of producing the foreign like product. Pursuant to section 773(b)(3) of the Act, it includes the COM, SG&A expenses and packing expenses.

The petitioners calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce carbon and steel wire rod in the United States and in Mexico using market research and publicly available data. The adjustment for labor costs was based on International Labor Organization statistics for 1998. To calculate SG&A and financial expenses, petitioners relied upon Altos Hornos De Mexico S.A.'s (AHMSA's) consolidated income statement for the period ending December 31, 1999. Based upon the comparison of the adjusted prices of the foreign like product in the home market 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. Accordingly, the Department is initiating a country-wide cost investigation.

In light of their allegations that home market prices were below cost, petitioners based NV on CV. The COP portion of CV was calculated based on U.S. producer's cost of producing carbon and steel wire rod, adjusted for known differences between the Mexican and U.S. markets. The profit ratio was based on the income statement from AHMSA for 1997, the most recent year in which AHMSA earned a profit.

The August 31, 2001 petitions included factors used to adjust labor, natural gas and electricity costs. These factors were based on differences in costs between the United States and the country in question, reflecting recent, but pre-2000, annual data. In

subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the factors as presented in the August 31, 2001 petitions.

The estimated dumping margins for Mexico based on comparisons between EP and home market prices are 29.63 percent and 31.95 percent. Based upon the comparison of EP to CV, we calculated estimated dumping margins of 38.04 percent and 40.52 percent.

Moldova

Export Price

Petitioners identified Moldova Steel Works (MSW) as the only known Moldovan producer/exporter of subject merchandise to the United States. To calculate EP, petitioners obtained a price quote for grade 1008, 5.5 millimeters in diameter, industrial quality CASWR produced in Moldova by MSW for sale to the United States. The price quote obtained was in U.S. dollars per hundred-weight (\$/CWT). The terms of sale were delivered to U.S. customer. As such, the price includes foreign inland freight, ocean freight and insurance, foreign brokerage and handling, U.S. import duties and fees, and U.S. inland freight.

Petitioners calculated ocean freight and insurance based on the average import charges for subject merchandise entered during the POI. Petitioners used import values declared to Customs (IM-145 data) to determine these import charges. Foreign brokerage and handling costs were calculated using publicly available information previously used by the Department in *Steel Concrete Reinforcing Bars from Moldova: Final Determination of Sales at Less Than Fair Value (Rebar from Moldova)*, 66 FR 33525 (June 22, 2001). U.S. import duties are based on the general rate of duty on merchandise imported into the United States during the POI as described in the Harmonized Tariff Schedule of the United States (2001). U.S. import fees (i.e., harbor maintenance and merchandise processing fees) are based on the U.S. Customs Service Regulations as codified under 19 C.F.R. 24.24(b)(1). U.S. inland freight costs are based on petitioners' experience in the industry. Although the price quote is on a delivered basis and includes foreign port fees and transportation charges within Moldova, no amount for inland freight was deducted in calculating EP because

petitioners have no information regarding these charges. However, according to petitioners, since the omission of these costs increases export price and correspondingly reduces any dumping margin, this margin, therefore, is a conservative estimate.

Normal Value

With respect to NV, petitioners asserted that Moldova is an NME country. In previous investigations, the Department determined that Moldova is an NME country. See *Rebar from Moldova*. Pursuant to section 771(18)(C)(i) of the Act, the Department's determination of NME status remains in effect until a contrary determination is made. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Petitioners, therefore, provided factors of production for constructed value (CV) pursuant to section 773(c) of the Act.

For NV, the petitioners based the factors of production, as defined by section 773(c)(3) of the Act, on the consumption rates of one U.S. CASWR producer. The petitioners asserted that information regarding Moldovan producers' consumption rates was not available, and that the U.S. producer employs a production process which is similar to the production process employed by the Moldovan producer of CASWR in Moldova. Thus, the petitioners have assumed, for purposes of the petition, that the producer in Moldova uses the same inputs in the same quantities as the U.S. producer in question. Based on the information provided by petitioners, we believe that the petitioners' factors of production methodology represents information reasonably available to the petitioners and is appropriate for purposes of initiating this investigation.

The petitioners asserted that India was the most appropriate surrogate country for Moldova, claiming that India is: (1) A market economy; (2) a significant producer of comparable merchandise; and (3) at a level of economic development comparable to the PRC in terms of per capita GNP. Based on the information provided by the petitioners, we believe that the petitioners' use of India as a surrogate country is appropriate for purposes of initiating this investigation.

In accordance with section 773(c)(4) of the Act, the petitioners valued factors of production, where possible, on reasonably available, public surrogate data from India. Materials, with the exception of natural gas and alloys, and

fluxes, were valued based on Indian import values, as published in the 1998 and 1999 *Monthly Statistics of Foreign Trade of India*, and inflated based on the Indian Wholesale Price Index. Petitioners valued natural gas based on the value calculated in the *Notice of Final Determination of Sales at Less Than Fair Value; Polyvinyl Alcohol from the People's Republic of China*, 61 FR 14057 (March 29, 1996). Additionally, petitioners submitted a U.S. price for alloys, additives and fluxes raw material inputs. On September 7, 2001, petitioners stated that these inputs were world commodities and the prices don't vary from country to country. On September 21, 2001, petitioners submitted consumption ratios for alloys, additives, and fluxes, but failed to provide surrogate values for these inputs. Since the petitioners did not submit additional surrogate prices to value alloys, additives, and fluxes in accordance with section 351.408 of the Department's regulations, the Department rejected the U.S. prices used by petitioners. Instead, the Department valued alloys, additives and fluxes using imports of limestone into India during 1998 obtained from the United Nations Commodity Trade Statistics as a surrogate value. The Department notes that this methodology was used in the recent hot-rolled steel investigation from the People's Republic of China. See *Factors Valuation Memo: Preliminary Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from China*, dated April 23, 2001. Labor was valued using the regression-based wage rate for the PRC provided by the Department, in accordance with 19 CFR 351.408(c)(3). Electricity was valued using *Energy Prices and Taxes, First Quarter 2001*, published by the Organization for Economic Cooperation and Development (OECD) International Energy Agency.

For overhead, depreciation, SG&A expenses, and profit, the petitioners applied rates derived from the financial statements of TATA, an Indian steel producer. The petitioners calculated the factory overhead, depreciation, and SG&A expense ratios based on TATA's 1999–2000 consolidated income statement. Petitioners calculated a profit ratio based on TATA's earnings before interest and taxes also from its 1999–2000 income statement. Petitioners did not add a value for packing because they were unable to obtain information on such materials.

Based on the information provided by the petitioners, we believe that the surrogate values represent information

reasonably available to the petitioners and are acceptable for purposes of initiating this investigation. Therefore, based upon comparisons of EP to CV, we calculated an estimated dumping margin of 172.89 percent.

South Africa

Export Price

The petitioners based EP on an affidavit of U.S. price offerings for products manufactured by Iscor during January through March 2001. The petitioners selected a steel wire rod product with specifications commonly exported to the United States. In the absence of more definitive information, petitioners refer to the date of the offer as the date of sale. The affidavit with the sales price offer reflects the price offered to an unaffiliated customer.

The petitioners calculated a net U.S. price by subtracting estimated costs for international freight (from the U.S. Census Bureau), harbor maintenance, and merchandise processing fees (from *International Financial Statistics*).

Normal Value

The petitioners based NV on domestic prices of steel wire rod in effect during a month within the period for which the U.S. offer was in effect. The petitioners used prices for a recent offer for sale by Iscor to unaffiliated customers in South Africa as the starting point in calculating NV. The petitioners adjusted this price by subtracting home market movement charges and home market credit expenses and adding U.S. credit expenses. Domestic prices were based on findings contained in the market research report. Credit expenses were calculated based on both findings contained in the market research report as well as short-term lending rates contained in *International Financial Statistics*.

In addition, the petitioners alleged pursuant to section 773(b) of Act that sales in the home market were made at prices below the fully absorbed COP, and requested that the Department conduct a country-wide sales-below-cost investigation. Therefore, pursuant to sections 773(a)(4) and 773(e) of the Act the petitioners calculated a normal value for sales in South Africa based on CV. The petitioners calculated CV for South African producers based on petitioner's own production experience, adjusted for known differences between costs incurred to produce steel wire rod in the United States and in South Africa.

The petitioners calculated COM based on their own production experience, adjusted for known differences between

costs incurred to produce steel wire rod in the United States and in South Africa using market research and publicly available data. The adjustment for labor costs was based on IMF statistics for 1999. The August 31, 2001 petitions included factors to adjust labor costs. These factors were based on the differences in labor costs between the U.S. and the country in question, reflecting data that are recent and contemporaneous, but for periods prior to 2000 (including U.S. data from IA's website). In subsequent filings, petitioners calculated revised factors in an effort to account for inflation through 2000. We have used the factors from the August 31, 2001 petitions. The adjustment for energy costs was based on International Energy Agency statistics. The August 31, 2001 petitions included factors used to adjust natural gas and electricity costs. These factors were based on differences in costs between the United States and the countries in question, reflecting recent, but pre-2000, annual data. In subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the factors as presented in the August 31, 2001 petitions. The petitioners based depreciation and other factory overhead on the actual experience of one U.S. CASWR producer. To calculate SG&A and financial expenses, petitioners relied upon the fiscal year 2000 audited financial statements of South African producer, Iscor Ltd. Based upon the comparison of the adjusted prices of the foreign like product in the home market to the calculated COP of the product, as revised by the Department, we do not 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. Accordingly, the Department is not initiating a country-wide cost investigation.

The estimated dumping margin for South Africa based on a comparison between EP and home market price is 13.32 percent.

Trinidad and Tobago

Export Price

The petitioners determined EP based on an offer for sale from the producer in Trinidad and Tobago, Caribbean Ispat, to an unaffiliated U.S. purchaser for one grade with a range of sizes. The sales information was obtained from

industry sources in the United States and supported by an affidavit in the petitioner's supplemental submission of September 6, 2001. The petitioners calculated a net U.S. price by deducting ocean freight charges from the Trinidad and Tobago mill to the U.S. port, U.S. duties, U.S. port charges and U.S. inland freight charges from the port to the first unaffiliated U.S. customer.

Normal Value

With respect to NV, the petitioners provided a home market price that was obtained from foreign market research, applicable to two grades and range of sizes of CASWR which are comparable to the product exported to the United States and serves as the basis for EP. The petitioners state that the home market price quotation was FOB mill and therefore no freight adjustments were made. Petitioners stated that they did not impute credit expenses from the reported home market price because the terms of sale for the home market sales used were for advance cash payment. Therefore, in their calculation of normal value, petitioners adjusted for differences in imputed credit expenses by simply adding the U.S. credit expense. The petitioners stated that no adjustments were made for differences in packing costs.

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

Pursuant to section 773(b)(3) of the Act, COP consists of the COM, SG&A expenses, and packing. The petitioners calculated COM based on the average consumption rates of one U.S. CASWR producer. The petitioners adjusted COM for known differences in the production process used in the United States and Trinidad and Tobago. The adjustment for labor costs was based on International Labor Organization statistics for 1999. The August 31, 2001 petitions included factors to adjust labor costs. These factors were based on the differences in labor costs between the U.S. and the country in question, reflecting data that are recent and contemporaneous, but for periods prior to 2000 (including U.S. data from IA's website). In subsequent filings, petitioners calculated revised factors in an effort to account for inflation through 2000. We have used the factors from the August 31, 2001 petitions. The adjustment for energy costs was based on International Energy Agency

statistics. The August 31, 2001 petitions included factors used to adjust natural gas and electricity costs. These factors were based on differences in costs between the United States and the country in question, reflecting recent, but pre-2000, annual data. In subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the factors as presented in the August 31, 2001 petitions. The petitioners based depreciation and other factory overhead on the actual experience of one U.S. CASWR producer. The petitioners derived SG&A from a discussion of Ispat Caribbean's operating income ratio in the notes of the annual report of its parent company, Ispat International. The petitioners relied on the consolidated interest expense for all of Ispat International's operating segments, as reported in the consolidated income statement, to calculate the net financial expense of the Trinidad and Tobago producer. Based upon the comparison of the adjusted prices of the foreign like product in the home market 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. Accordingly, the Department is initiating a country-wide cost investigation.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners also based NV for sales in Trinidad and Tobago on CV. The petitioners calculated CV using the same COM, SG&A, financial expense figures and overhead used to compute Trinidad and Tobago home market costs. Consistent with section 773(e)(2) of the Act, the petitioners included in CV, an amount for profit. The profit was based on the consolidated net income before taxes for all of Ispat International's operating segments taken from Ispat International's consolidated income statement.

The estimated dumping margin for Trinidad and Tobago based on a comparison between EP and home market price is 60.12 percent. Based upon the comparison of EP to CV, we calculated an estimated dumping margin of 87.27 percent.

Ukraine

Export Price

To calculate EP, petitioners obtained U.S. pricing data from a Ukrainian wire rod producer. The price submitted was contemporaneous with the POI and was a price quote for Grade 1008 5.5 mm industrial quality steel wire rod. This price quote was an FOB price of merchandise.

Petitioners deducted estimated inland freight and brokerage and handling costs from the U.S. price to arrive at an estimated ex-factory price for use in the comparison of EP and normal values for Ukraine.

Normal Value

Petitioners assert that Ukraine is an NME and no determination to the contrary has yet been made by the Department. *See Notice of Final Determination of Sales at Less Than Fair Value: Solid Agricultural Ammonium Nitrate from Ukraine*, 66 FR 38632 (July 25, 2001). Ukraine will be treated as an NME unless and until its NME status is revoked. Pursuant to section 771(18)(C)(i) of the Act, because Ukraine's status as an NME remains in effect, the petitioners determined the dumping margin using an FOP analysis.

Petitioners based the FOP, as defined by section 773(c)(3) of the Act, on the consumption rates of one U.S. wire rod producer. The petitioners assert that information regarding the Ukrainian mills' consumption rates is not available. The U.S. producer uses an electric arc furnace mill (minimill), that produces CASWR of varying sizes, while the Ukrainian producer uses open-hearth furnaces to produce CASWR. *See Iron and Steel Works of the World* at 497. The use of electric furnaces is an efficient method of wire rod production and is generally less capital and labor intensive than the use of open-hearth furnaces. According to petitioners, the derivation of consumption rates from a minimill likely understates the normal value cost of production, and therefore provides a conservative estimate on the production costs in Ukraine.

The petitioners assert that Indonesia is the most appropriate surrogate country for Ukraine, claiming that Indonesia is: (1) a market economy; (2) a significant producer of comparable merchandise; and (3) at a level of economic development comparable to Ukraine in terms of per capita GNP. Based on the information provided by the petitioners, we believe that the petitioners' use of Indonesia as a surrogate country is appropriate for purposes of initiating this investigation.

For the major input, scrap steel, petitioners used a surrogate value from Indonesia published in the (UNCTS) (1998), which was also used by the Department in a recent anti-dumping duty investigation on line pipe from Romania. *See Factors Valuation Memo: Preliminary Determination of Sales at Less Than Fair Value: Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Romania*, dated January 28, 2000.

Petitioners assert that a certain amount of molten steel is lost during the melting and casting process in the production of wire rod. According to petitioners, minimills offset the yield loss by recovering the scrap and processing it into a usable form for internal use. Therefore, petitioners have offset the total scrap usage by deducting the recovered amount of scrap in the normal value calculation using the same surrogate value from UNCTS from 1998 for scrap steel.

Since the petitioners did not submit additional surrogate prices to value alloys, additives, and fluxes in accordance with section 351.408 of the Department's regulations, the Department rejected the U.S. price used by petitioners. Instead, the Department valued alloys, additives and fluxes using a limestone surrogate value from UNCTS (1998). The Department notes that this methodology was used in the recent hot-rolled steel investigation from the People's Republic of China. *See Factors Valuation Memo: Preliminary Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from China*, dated April 23, 2001. Accordingly, we adjusted the price using the WPI from IFS. Accordingly, we adjusted the price using the appropriate inflator from IFS. *See Initiation Checklist* at Attachment I.

Electricity was valued using *Energy Prices and Taxes, First Quarter 2001*, published by the Organization for Economic Cooperation and Development (OECD) International Energy Agency. Petitioners valued natural gas using a surrogate value for industrial gas costs in Indonesia from the first quarter 2000 Gulf Indonesia Quarterly Report. For overhead, SG&A expenses and profit, the petitioners applied rates derived from the 1997 public annual reports of an Indonesian producer of subject merchandise, PT Krakatau Steel. These same financial ratios were used in the two recent antidumping investigations. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from Ukraine*, 66 FR 22152 (May 3, 2001) and

Notice of Final Determination of Sales at Less Than Fair Value: Certain Small Diameter Carbon Alloy Seamless Standard, Line and Pressure Pipe from Romania, 65 FR 39125 (June 23, 2000).

Based on the information provided by the petitioners, we believe that the surrogate values represent information reasonably available to the petitioners and are acceptable for purposes of initiating this investigation. Therefore, based upon comparisons of EP to CV, we calculated an estimated dumping margin for Ukraine of 101.92 percent.

Venezuela

Export Price

The petitioners based EP on an affidavit containing an offering price for products manufactured by CVG Siderurgica Del Orinoco C.A. (Sidor) during April through June of 2001. The petitioners selected a steel wire rod product with specifications commonly exported to the United States. *See* Petition Exhibit 3. In the absence of more definitive information, petitioners refer to the date of the offer as the date of sale. The affidavit with the sales price offer reflects the price offered to an unaffiliated customer. The petitioners deducted international freight and insurance, U.S. import duty and U.S. merchandise and processing fees to obtain a net U.S. price.

Normal Value

With respect to NV, the petitioners provided home market prices that were obtained from foreign market research for grades and sizes of steel wire rod comparable to the products exported to the United States which serve as the basis for EP. The petitioners state that the home market price quotation was FOB plant and they only made an adjustment for home market credit expenses.

The petitioners have provided information demonstrating reasonable grounds to believe or suspect that sales of steel wire rod steel in the home market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

The August 31, 2001, petitions included factors to adjust labor costs. These factors were based on the differences in labor costs between the U.S. and the country in question, reflecting data that are recent and contemporaneous, but for periods prior to 2000 (including U.S. data from IA's website). In subsequent filings, petitioners calculated revised factors in

an effort to account for inflation through 2000. We have used the factors from the August 31, 2001 petitions. The petitions also included factors used to adjust natural gas and electricity costs. These factors were based on differences in costs between the United States and the country in question, reflecting recent, but pre-2000, annual data. In subsequent filings, petitioners calculated revised factors through use of consumer price indexes applied to the pre-2000 costs. Because these indexes are not specific to the factors in question, and do not account for other relevant variables (e.g., changes in exchange rates), we have used the factors as presented in the August 31, 2001 petitions.

Pursuant to section 773(b)(3) of the Act, COP consists of COM, SG&A, and packing expenses. The petitioners calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce steel wire rod in the United States and in Venezuela. To calculate SG&A and financial expenses, petitioners relied upon amounts reported in the 2000 consolidated income statement of Siderurgica Venezolana, a Venezuelan CASWR producer. Based upon a comparison of the prices of the foreign like product in the home market 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. Accordingly, the Department is initiating a country-wide cost investigation.

The estimated dumping margin for Venezuela based on a comparison between EP and home market price is 12.68 percent. Based upon the comparison of EP to CV, we calculated estimated dumping margins between 19.37 percent and 21.02 percent.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of carbon and certain alloy steel wire rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela 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 stagnation of U.S. producers' sales volumes and profits, the decline of their capacity utilization, the increase of U.S. inventories and closures of U.S. production facilities. 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*, Material Injury section). In accordance with section 771(7)(G)(ii)(III) of the Act, which provides an exception to the mandatory cumulation provision for imports from any country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act, we have considered the petitioners' allegation of injury with respect to Trinidad and Tobago independent of the allegations for each of the remaining countries named in the petition and found that the information provided satisfies the requirements (*see Initiation Checklist*, Material Injury section).

Initiation of Antidumping Investigations

Based upon our examination of the petitions on carbon and certain alloy steel wire rod, and the petitioners' responses to our supplemental questionnaires clarifying the petitions, as well as our conversations with the foreign market researchers who provided information concerning various aspects of the petition, we have found that they meet the requirements of section 732 of the Act. *See Initiation Checklist*. Therefore, we are initiating antidumping duty investigations to determine whether imports of carbon and certain alloy steel wire rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is postponed, 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 versions of the petition have been provided to the representatives of the governments of Brazil, Canada,

Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela. We will attempt to provide a copy of the public version of the 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 October 15, 2001, whether there is a reasonable indication that imports of carbon and certain alloy steel wire rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela 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.

Dated: September 24, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01-24621 Filed 10-1-01; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-428-825]

Stainless Steel Sheet and Strip in Coils From Germany; Final Results of Changed Circumstances Review

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

ACTION: Notice of final results of changed circumstances review, and revocation, in part, of order of the antidumping duty order.

SUMMARY: On August 17, 2001, the Department of Commerce (the Department) published a notice of initiation and preliminary results of a changed circumstances review and notice of intent to revoke in part the antidumping duty order on stainless steel sheet and strip in coils from Germany. *See Stainless Steel Sheet and Strip in Coils From Germany; Initiation and Preliminary Results of Changed*

Circumstances Antidumping Duty Administrative Review, 66 FR 43183 (August 17, 2001) (*Preliminary Results*). This notice concerned the specialty stainless steel strip product known as Semi Vac 90, described in the "Scope of Changed Circumstances Review" section, below. We gave interested parties an opportunity to comment on our preliminary results; no party submitted comments on these preliminary results. We are hereby revoking the order in part because domestic producers of the like product have expressed no interest in continuation of the order with respect to this particular stainless steel product.

EFFECTIVE DATE: October 2, 2001.

FOR FURTHER INFORMATION CONTACT:

Robert M. James, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-0649.

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, as amended (the Tariff Act), by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations as codified at 19 CFR part 351 (2000).

SUPPLEMENTARY INFORMATION:

Background

The Department published the antidumping duty order on stainless steel sheet and strip in coils from Germany on July 27, 1999. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 64 FR 40557. On May 18, 2001, Sensormatic Electronics Corporation (Sensormatic) requested that the Department determine that a specialty stainless steel strip product known as SemiVac 90 is outside the scope of the antidumping duty order on stainless steel sheet and strip in coils from Germany; in the alternative, Sensormatic requested that the Department revoke in part the antidumping duty order on stainless steel sheet and strip in coils from Germany on the basis of "changed circumstances." *See Letter from Sandler, Travis & Rosenberg, P.A.*, May 18, 2001, at 2 and 4. On July 5, 2001, producers of the domestic like product (Allegheny Ludlum Corporation, Armco, Inc., J&L Specialty Steel, Inc., Washington Steel Division of Bethlehem Steel Corporation, United Steelworkers