

Dated: January 23, 1998.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-357-404]

#### **Certain Textile Mill Products From Argentina; Initiation and Preliminary Results of Changed Circumstances Countervailing Duty Review, Consideration of Revocation of Order, and Intent to Revoke Order**

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

**ACTION:** Notice of initiation and preliminary results of changed circumstances countervailing duty review, consideration of revocation of order, and intent to revoke order.

**SUMMARY:** On April 2, 1996, the Department of Commerce initiated changed circumstances reviews of the countervailing duty orders on *Leather from Argentina* (55 FR 40212), *Wool from Argentina* (48 FR 14423), *Oil Country Tubular Goods from Argentina* (49 FR 46564), and *Carbon Steel Cold-Rolled Flat Products from Argentina* (49 FR 18006). The Department of Commerce initiated these reviews in order to determine whether, in light of the decision in *Ceramica Regiomontana v. United States*, 64 F.3d 1579, 1582 (Fed. Cir. 1995), the agency had the authority to assess countervailing duties on entries of merchandise covered by these orders occurring after September 20, 1991—the date on which Argentina became a “country under the Agreement” within the meaning of former section 303(a)(1) of the Tariff Act of 1930, as amended (the Act) (19 U.S.C. 1303(a)(1) (1988; repealed 1994)). In the final results of these reviews, the Department of Commerce determined that, based upon the ruling in the *Ceramica* case, it lacked the authority to assess countervailing duties on unliquidated entries of merchandise covered by the four Argentine orders occurring on or after September 20, 1991. *Final Results of Changed Circumstances Countervailing Duty Reviews and Revocation and Amended Revocation of Countervailing Duty Orders*, (62 FR 41361).

As a result of the *Ceramica Regiomontana v. United States* decision and the changed circumstances reviews,

the Department of Commerce is initiating a changed circumstances review of the countervailing duty order on *Certain Textile Mill Products from Argentina* (50 FR 9846) and preliminarily determining that it does not have the authority to assess countervailing duties on unliquidated entries of merchandise covered by the order occurring on or after September 20, 1991. Therefore, we intend to revoke this order with respect to all unliquidated entries of subject merchandise entered, or withdrawn from warehouse, for consumption during the period May 18, 1992 through December 31, 1994. (The order has been revoked on two previous occasions. For a further discussion of these revocations and the resulting period affected by this preliminary determination, see the **SUPPLEMENTARY INFORMATION** section below). We invite interested parties to comment on this notice of initiation and preliminary results.

**EFFECTIVE DATE:** February 12, 1998.

**FOR FURTHER INFORMATION CONTACT:** Anne D’Alauro or Kelly Parkhill, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC. 20230; telephone: (202) 482-2786.

#### **SUPPLEMENTARY INFORMATION:**

##### **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 Act by the URAA. In addition, unless otherwise indicated, all citations to the Department’s regulations are to the current regulations published in the **Federal Register** on May 19, 1997 (62 FR 27296).

##### **History of the Countervailing Duty Order on Textile Mill Products From Argentina**

The countervailing duty order on *Certain Textile Mill Products from Argentina* was issued on March 12, 1985 pursuant to former section 303(a)(1) of the Act. Under former section 303, the Department of Commerce (the Department) could assess (or “levy”) countervailing duties without an injury determination on two types of imports: (i) Dutiable merchandise from countries that were not signatories of the 1979 Subsidies Code or “substantially equivalent” agreements (otherwise known as “countries under the Agreement”), and (ii) duty-free merchandise from countries that were not signatories of the 1947 General

Agreement on Tariffs and Trade. See S. Rep. 249, 96th Cong. 1st Sess. 103-06 (1979); H. Rep. No. 317, 96th Cong., 1st Sess. 43, 49-50 (1979). At the time this order was issued, textile mill products from Argentina were dutiable. Also at that time, Argentina was not a “country under the Agreement.” In short, U.S. law did not require an injury determination as a prerequisite to the issuance of the order, and none was provided.

On August 13, 1990, the Department revoked the countervailing duty order on *Certain Textile Mill Products from Argentina* pursuant to § 355.25(d)(4)(iii) of the Department’s then-current regulations. See *Certain Textile Mill Products from Argentina* (55 FR 32940). The Department’s decision to revoke the order was challenged before the U.S. Court of International Trade (CIT). On March 24, 1992, the CIT reversed the Department’s decision, holding that a domestic interested party had properly objected to the Department’s intent to revoke the countervailing duty order. See *Belton Industries Inc. v. United States*, CIT Slip Op. 92-39 (March 24, 1992). In accordance with that decision, on May 7, 1992, the CIT ordered the Department to rescind the revocation and reinstate the countervailing duty order on certain textile mill products from Argentina. Subsequently, two related appeals were filed with the U.S. Court of Appeals for the Federal Circuit, *Belton Industries, Inc. v. United States, et al.*, CAFC Nos. 92-1419, -1421, and -1451, and *Belton Industries, Inc. v. United States, et al.*, CAFC Nos. 92-1452, and -1483. Because the United States withdrew its appeal (No. 92-1421), and Argentina was not a party to the appeals, the CIT decision became final and binding with respect to the order on certain textile mill products from Argentina. Consequently, the Department rescinded its revocation of the countervailing duty order on certain textile mill products from Argentina and reinstated the order on November 18, 1992, effective May 18, 1992. See *Certain Textile Mill Products from Argentina; Notice of Final Court Decision and Rescission of Revocation of Countervailing Duty Order* (57 FR 54368).

On March 1, 1994, the Department again published in the **Federal Register** (59 FR 9727) its intent to revoke the countervailing duty order on certain textile mill products from Argentina pursuant to 19 CFR 355.25(d)(4)(i)(1994) because no interested party had requested an administrative review for at least four consecutive review periods. The Department received a timely objection to the intended revocation

from the American Textile Manufacturers Institute (ATMI) and its member companies as well as the Amalgamated Clothing and Textile Workers Union (ACTWU).

The Department requested clarifying information from ATMI and ACTWU regarding the like products their members produced. The Department determined that ATMI and ACTWU did not qualify as interested parties with respect to one like product category, "Other Miscellaneous Categories." Therefore, the Department revoked the order with respect to that like product. *See Certain Textile Mill Products from Argentina; Determination to Amend Revocation, in Part, of the Countervailing Duty Order* (62 FR 41365).

As explained above, the countervailing duty order on certain textile mill products from Argentina was issued pursuant to former section 303. In the Uruguay Round Agreements Act of 1994 (URAA), which amended the Act, section 303 was repealed in part because the new Agreement on Subsidies and Countervailing Measures prohibits the assessment of countervailing duties on imports from a member of the World Trade Organization without an affirmative injury determination. The URAA added section 753 to the Act, which provided domestic interested parties with an opportunity to request an injury investigation for orders that had been issued pursuant to former section 303.

Because no domestic interested parties exercised their right under section 753(a) of the Act to request an injury investigation on certain textile mill products from Argentina, the International Trade Commission made a negative injury determination with respect to this order, pursuant to section 753(b)(4) of the Act. As a result, the Department revoked this countervailing duty order, effective January 1, 1995, pursuant to section 753(b)(3)(B) of the Act. *See Revocation of Countervailing Duty Orders* (60 FR 40,568).

#### **The Ceramica Regiomontana v. United States (Ceramica) Decision**

On September 6, 1995, the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) held, in a case involving imports of dutiable ceramic tile from Mexico, that once Mexico became a "country under the Agreement" on April 23, 1985 pursuant to the Understanding between the United States and Mexico Regarding Subsidies and Countervailing Duties (the Mexican MOU), the Department could not assess countervailing duties on tile from that country under former

section 303(a)(1) of the Act. *Ceramica*, 64 F.3d at 1582. "After Mexico became a 'country under the Agreement,' the only provision under which ITA could continue to impose countervailing duties was section 1671." *Id.* One of the prerequisites to the assessment of countervailing duties under 19 U.S.C. 1671 (1988), according to the Federal Circuit, is an affirmative injury determination. *See also Id.* at section 1671e. However, at the time the countervailing duty order on ceramic tile was issued, the requirement of an affirmative injury determination under U.S. law was not applicable. Therefore, the Federal Circuit looked to see whether the statute contained any transition rules when Mexico became a country under the Agreement which might provide the order on tile with the required injury test. Specifically, the court looked at section 104(b) of the Trade Agreements Act of 1979, Public Law 96-39 (July 20, 1979) (1979 Act).

Section 104(b) was designed to provide an injury test for certain countervailing duty orders issued under former section 303 prior to the effective date of the 1979 Act (which established Title VII and, in particular, section 701 of the Act). However, in order to induce other countries to accede to the 1979 Subsidies Code (or substantially equivalent agreements), the window of opportunity was intentionally limited. In order to qualify (i) the exporting nation had to be a country under the Agreement (e.g., a signatory of the Subsidies Code) by January 1, 1980, (ii) the order had to be in existence on January 1, 1980 (i.e., the effective date of Title VII), and (iii) the exporting country (or in some instances its exporters) had to request the injury test on or before January 2, 1983.

In *Ceramica*, the countervailing duty order on ceramic tile was issued in 1982 and Mexico did not become a country under the Agreement until April 23, 1985. Therefore, in the absence of an injury test and the statutory means (under section 104 or some other provision) to provide an injury test, the Federal Circuit held that the Department could not assess countervailing duties on ceramic tile and would have to revoke the order effective April 23, 1985 (i.e., the date Mexico became a "country under the Agreement"). *Ceramica*, 64 F.3d at 1583.

On September 20, 1991, the United States and Argentina signed the Understanding Between the United States of America and the Republic of Argentina Regarding Subsidies and Countervailing Duties (Argentine MOU). Section III of that agreement contains provisions substantially equivalent to

the provisions in the Mexican MOU that were before the Federal Circuit in the *Ceramica* case. Therefore, on April 2, 1996, the Department initiated changed circumstances reviews of the countervailing duty orders on *Leather from Argentina* (55 FR 40212), *Wool from Argentina* (48 FR 14423), *Oil Country Tubular Goods from Argentina* (49 FR 46564), and *Carbon Steel Cold-Rolled Flat Products from Argentina* (49 FR 18006). Each of these orders had been issued without an injury determination. The purpose of these reviews was to determine whether the Department had the authority, in light of the *Ceramica* decision, to assess countervailing duties on entries of merchandise covered by the orders occurring on or after September 20, 1991—the date on which Argentina became a "country under the Agreement" within the meaning of 19 U.S.C. 1303(a)(1) (1988; repealed 1994). The Department has now completed these reviews. In the *Final Results of Changed Circumstances Countervailing Duty Reviews and Revocation and Amended Revocation of Countervailing Duty Orders*, (62 FR 41361) (*Argentine Changed Circumstances*), published in the **Federal Register** on August 1, 1997, the Department determined that, based upon the ruling in the *Ceramica* case, it lacked the authority to assess countervailing duties on entries of merchandise covered by the four Argentine orders occurring on or after September 20, 1991.

#### **Scope of the Review**

Imports covered by this review are shipments of certain textile mill products from Argentina. The Harmonized Tariff Schedule of the United States (HTS) item numbers covered by the order are identified in Attachment A of this notice.

#### **Initiation and Preliminary Results of Changed Circumstances Countervailing Duty Review, Consideration of Revocation of Order, and Intent to Revoke Order**

Pursuant to section 751(d) of the Act, the Department may revoke a countervailing duty order based on a review under section 751(b) of the Act (i.e., a changed circumstances review). The Department's regulations at 19 CFR 351.216(d) require that the Department conduct a changed circumstances review in accordance with § 351.221, if it determines that changed circumstances sufficient to warrant a review exist. In addition, § 351.221(c)(3)(ii) allows the Department to combine the notice of initiation of the review and the

preliminary results of review if it determines that expedited action is warranted.

In accordance with §§ 751(b)(1) and 751(d) of the Act, and §§ 351.216 and 351.221(c)(3) of the Department's regulations, we are initiating this changed circumstances review. We have further determined that expedited action is warranted and are, therefore, combining the notices of initiation and preliminary results. Based upon our analysis of the *Ceramica* decision and the *Argentine Changed Circumstances* reviews, we have preliminarily determined that the order on *Certain Textile Mill Products from Argentina* became entitled to an injury test as of September 20, 1991—the date on which Argentina became a “country under the Agreement” within the meaning of 19 U.S.C. 1303(a)(1) (1988; repealed 1994). Furthermore, in the absence of an injury determination or the statutory authority to provide an injury test, the Department does not have the authority to assess countervailing duties on unliquidated entries of certain textile mill products from Argentina occurring on or after September 20, 1991. As a result, we intend to revoke this order with respect to all unliquidated entries of subject merchandise entered, or withdrawn from warehouse, for consumption during the period May 18, 1992 (the date on which the order was reinstated pursuant to the *Belton* decision) through December 31, 1994. The Department has previously revoked the countervailing duty order on textile mill products from Argentina for all entries occurring on or after January 1, 1995. See *Revocation of Countervailing Duty Orders* (60 FR 40568).

If our final results remain unchanged, the revocation will apply to all unliquidated entries of subject merchandise entered, or withdrawn from warehouse, for consumption during the period May 18, 1992 (the date on which the Department reinstated the order pursuant to the *Belton* decision) through December 31, 1994.

Therefore, we intend to instruct the U.S. Customs Service to liquidate all unliquidated entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after May 18, 1992, and on or before December 31, 1994, without regard to countervailing duties. We also intend to instruct the U.S. Customs to refund with interest any estimated countervailing duties collected with respect to those unliquidated entries.

### Public Comment

Interested parties may request a hearing not later than 30 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted five days after the time limit for filing the case brief. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument. Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties. The Department will publish the final results of this changed circumstances review, including the results of its analysis of issues raised in any written comments.

This notice is published in accordance with section 751(b)(1) of the Act (19 U.S.C. section 1675(b)(1)).

Dated: February 2, 1998.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

### Appendix A (C-357-404)—HTS List for Certain Textile Mill Products From Argentina

#### HTS Numbers

5111.1170, 5111.1960,<sup>1</sup> 5111.2090, 5111.3090, 5111.9090, 5112.1120, 5112.1990, 5112.2030, 5112.3030, 5112.9090, 5205.1110, 5205.1210, 5205.1310, 5205.1410, 5205.2400,<sup>2</sup> 5205.3100, 5205.3200, 5205.3300, 5207.1000, 5207.9000, 5407.9105, 5407.9205, 5407.9305, 5407.9405, 5515.1305, 5515.1310, 5801.3600, 6302.600010, 6302.600020, 6302.910005, 6302.910050, 6305.2000, 6305.9000.

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### DEPARTMENT OF COMMERCE

#### Minority Business Development Agency

[Docket No: 980205029-8029-01]

RIN 0640-ZA01

#### Minority Business Roundtable

AGENCY: Minority Business Development Agency (MBDA), Commerce.

<sup>1</sup> Coverage limited to fabric, value not over \$19.84/kg.

<sup>2</sup> Coverage limited to yarn, not exceeding 68 nm.

**ACTION:** Notice.

**SUMMARY:** Funds in the amount of \$150,000 are available to conduct a competitive grant solicitation for the most qualified applicant who will plan, organize and coordinate the appropriate resources of the public and private sectors for the development of a self-sustaining Minority Business Roundtable (MBR). An MBR is hereby defined as business owners working together on issues affecting mutual long-term growth. The MBR shall be designed to generate and advocate policy positions of the minority business community regarding consequential issues of economic and social well being. It is essential that concerns of minority companies be heard by local, state and Federal decision-makers. Areas of concern include access to capital, community redevelopment, government regulations, international trade and investment, taxation, education, tort policies and corporate governance. Currently, there is no uniform voice, nor is there a policy discussion vehicle for the minority business community. To establish the MBR, the applicant shall propose a detailed statement of work in response to MBDA's Work Requirements. The statement of work shall entail mobilizing the minority business community and the necessary resources of the public and private sector for the formation and sustainment of the MBR. In the formation of the MBR, the applicant shall provide an approach for determining and addressing the issues and priorities of the minority business community.

The MBR will be national in scope and will serve minority firms throughout the fifty states. A minority firm is one that is defined by Executive Order 11625, effective October 13, 1991, as follows: “ ‘Minority Business Enterprise’ means one that is owned or controlled by one or more socially or economically disadvantaged persons.” Such persons include, but are not limited to, Negroes, Puerto Ricans, Spanish-Speaking Americans, American Indians, Eskimos and Aleuts, Asian Pacific Americans, Asian Indians and Hasidic Jews. The MBR will operate independently of any Federal, state/local government entity. It may be patterned after the existing Business Roundtable, a twenty-four year old association comprised of 220 Fortune 500 Chief Executive Officers (CEO). The CEOs serve on issue-oriented task forces and collectively direct research, supervise preparation of position papers, recommend policy positions