the order in place. Arguing that since the volume of imported wire rod from Argentina has declined to extremely low levels since the imposition of the order, the use of a more recently calculated margin is not appropriate in this case. Specifically, the Domestic Parties argued that the zero rate calculated in the 1988–1989 administrative review was based on sales of approximately 543.78 metric tons of wire rod, which is not a commercial quantity and, therefore, not representative of Acindar's behavior in the absence of the order.

As noted above, Acindar states that the antidumping rate in the original investigation was based on so-called ''best information available,'' the dumping margins alleged by the petitioners, rather than Acindar's own information. Further, Acindar argues that the dumping margin calculated by the Department in the only administrative review in which the Department based its determination on actual company data, is the most reliable gauge of the antidumping duty margin likely to prevail when the order is revoked.

Department's Determination

The Department agrees with the Domestic Parties. We find that the consistently low level of imports of the subject merchandise that have existed since the imposition of the order is not indicative of the behavior of Argentine producers/exporters in the absence of the order. Furthermore, the Department finds the establishment of a zero deposit rate coupled with a dramatic decrease in import volumes suggests that Argentine producers/exporters find it difficult to sell subject merchandise in the United States without dumping. The Department finds reason to believe that the consistently low level of exports can be attributed to Argentine producers'/exporters' difficulty in selling subject merchandise in the United States at a fair market value. Because of this, the Department finds the margin from the original investigation is the only calculated rate that reflects the behavior of exporters without the discipline of the order. Therefore, consistent with the *Sunset Policy Bulletin,* we preliminarily determine that the margin from the Department's original investigation is probative of the behavior of Argentine producers and exporters of carbon steel wire rod if the order were revoked. We will report to the Commission the company-specific and ''all others'' rates from the original investigation contained in the *Preliminary Results of Review* section of this notice.

Preliminary Results of Review

As a result of this review, the Department preliminarily finds that revocation of the order is likely to lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/exporter	Margin (percent)
Acindar	119.11
All Others	119.11

Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing, if requested, will be held on July 19, 1999. Interested parties may submit case briefs no later than July 12, 1999, in accordance with 19 CFR 351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than July 15, 1999. The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such comments, no later than September 28, 1999.

This five-year (''sunset'') review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: May 21, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–13686 Filed 5–27–99; 8:45 am]

BILLING CODE 3510–DS–U

DEPARTMENT OF COMMERCE

International Trade Administration

[C–357–004]

Preliminary Results of Full Sunset Review: Carbon Steel Wire Rod From Argentina

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

ACTION: Notice of preliminary results of full sunset review: Carbon steel wire rod from Argentina.

SUMMARY: On November 2, 1998, the Department of Commerce (''the Department'') initiated a sunset review of the suspended countervailing duty investigation on carbon steel wire rod from Argentina (63 FR 58709) pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a notice of intent to participate filed on behalf of the domestic industry and substantive comments filed on behalf of the domestic industry and respondent interested parties, the Department is conducting a full review. As a result of this review, the Department preliminarily finds that termination of the suspended countervailing duty investigation would be likely to lead to continuation or recurrence of a countervailable subsidy. The net countervailable subsidy and the nature of the subsidy are identified in the ''Preliminary Results of Review'' section of this notice.

FOR FURTHER INFORMATION CONTACT: Scott E. Smith or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution, Washington, D.C. 20230; telephone: (202) 482–6397 or (202) 482–1560, respectively.

EFFECTIVE DATE: May 28, 1999.

Statute and Regulations

This review is being conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in Procedures for Conducting Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) (''Sunset Regulations'') and in 19 C.F.R. Part 351 (1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—Policies Regarding the Conduct of Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) (''Sunset Policy Bulletin'').

Scope

The merchandise subject to this suspended countervailing duty investigation is carbon steel wire rod, both high carbon and low carbon, manufactured in Argentina and exported, directly or indirectly from Argentina to the United States. The term ''carbon steel wire rod'' covers a coiled, semi-finished, hot-rolled carbon steel product of approximately round solid cross section, not under 0.02 inches nor over 0.74 inches in diameter, not tempered, not treated, and not partly manufactured, and valued at over 4 cents per pound. As of the publication of the last administrative review,[1] the merchandise subject to this order was classifiable under item numbers 7213.20.00, 7213.31.30, 7213.39.00, 7213.41.30, 7213.49.00, and 7213.50.00

[1] *See* Carbon Steel Wire Rod from Argentina; Final Results of Countervailing Duty Administrative Review, 56 FR 40309 (August 14, 1991).

of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description remains dispositive.

History of the Investigation

On July 14, 1982, the Department issued a preliminary affirmative countervailing duty determination with respect to imports of carbon steel wire rod from Argentina.[2] In the preliminary determination, the Department found a total export subsidy of 13.80 percent ad valorem, based on two programs: 10.33 percent under the ''reembolso'' (tax rebate on exports) and 3.36 percent under pre-financing of exports through dollar-indexed pesos.

On September 27, 1982, the Department suspended the countervailing duty investigation on the basis of a suspension agreement by the Government of Argentina to eliminate all benefits which the Department found to be bounties or grants on exports to the United States of the subject merchandise.[3] Specifically, the Government of Argentina agreed, through its Ministry of Economy, that: (1) it would not provide to manufacturers, producers, or exporters of carbon steel wire rod, any reembolso payment constituting a bounty or grant, as determined by the Department, (2) the Central Bank would not provide preferential dollar-indexed pre-export financing, and (3) no new or equivalent benefits would be granted. In the notice announcing the suspension agreement, the Department identified a change since the preliminary determination with respect to the reembolso. Specifically, the Department stated that, of the total 10 percent reembolso, the portion that constituted an allowable rebate is 7.60 percent and the over rebate to be eliminated as a condition of the suspension agreement is currently 2.40 percent.

In conjunction with the administrative review of the period September 27, 1982 through December 31, 1982, the suspension agreement was revised to clearly specify the scope of the agreement and include renunciation of a program not included in the original investigation, that was subsequently found countervailable in other investigations involving products from Argentina.[4] Specifically, the suspension agreement was revised to clarify that both high carbon and low carbon were within the scope of the agreement. Further, the Ministry of Economy agreed that the Central Bank would not provide post-shipment financing for exports under Circular OPRAC 1–9. The Department has conducted one additional administrative review of this suspended countervailing duty investigation covering the period January 1, 1989 through December 1, 1989.[5] The Department found that both the Government of Argentina and Acindar Industria Argentina de Aceros S.A. (''Acindar'') had complied with the terms of the suspension agreement.

Background

On November 2, 1998, the Department initiated a sunset review of the suspended countervailing duty investigation on carbon steel wire rod from Argentina (63 FR 58709), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of Co-Steel Raritan (formerly Raritan River Steel), GS Industries, Inc., and North Star Steel (collectively ''the domestics'') on November 16, 1998, within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. Each company claimed interested party status under section 771(9)(C) of the Act. We received complete substantive responses on behalf of the Argentine Republic, Acindar, and the domestics on December 2, 1998, within the 30-day deadline specified in the Sunset Regulations under section 351.218(d)(3)(i).

In its substantive response, the domestics stated that all three domestic producers participated as petitioners in the original investigation and the administrative reviews for the periods of September 27, 1982, through December 31, 1982, and January 1, 1989, through December 31, 1989.

In its substantive response, the Embassy of Argentina stated that the Argentine Republic was a participant in the original countervailing duty proceeding and in all of the administrative reviews of the suspension agreement. The Argentine Republic qualifies as an interested party under section 771(9)(B) of the Act. In its substantive response, Acindar claimed interested party status under section 771(9)(A) of the Act, as an Argentine producer of carbon steel wire rod. Further, Acindar stated that, as far as it is aware, Acindar accounted for one hundred percent of the total exports of Argentine subject merchandise to the United States during each of the five calendar years preceding the year of publication of the notice of initiation.

On December 7, 1998, we received rebuttal comments from the domestics. We did not receive rebuttal comments from the Argentine Republic or Acindar. On the basis of complete substantive responses from the Argentine Republic and Acindar to the notice of initiation, and in accordance with section 351.218(e)(2) of the Sunset Regulations, the Department is conducting a full review.

The Department determined that the sunset review of the suspended countervailing duty investigation on carbon steel wire rod from Argentina is extraordinarily complicated. In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). (*See* section 751(c)(6)(C) of the Act.) Therefore, on January 15, 1999, the Department extended the time limit for completion of the preliminary results of this review until not later than May 23, 1999, in accordance with section 751(c)(5)(B) of the Act.[6]

Determination

In accordance with section 751(c)(1) of the Act, the Department is conducting this review to determine whether termination of the suspended countervailing duty investigation would be likely to lead to continuation or recurrence of a countervailable subsidy. Section 752(b) of the Act provides that, in making this determination, the Department shall consider the net countervailable subsidy determined in the investigation and subsequent reviews, and whether any change in the program which gave rise to the net countervailable subsidy has occurred that is likely to affect that net countervailable subsidy. Pursuant to section 752(b)(3) of the Act, the Department shall provide to the International Trade Commission (''the ITC'') the net countervailable subsidy likely to prevail if the order is revoked. In addition, consistent with section 752(a)(6), the Department shall provide the ITC information concerning the

[2] *See* Carbon Steel Wire Rod from Argentina; Preliminary Affirmative Countervailing Duty Determination, 47 FR 30539 (July 14, 1982).

[3] *See* Carbon Steel Wire Rod from Argentina; Suspension of Investigation, 47 FR 42393, (September 27, 1982).

[4] *See* Carbon Steel Wire Rod from Argentina; Final Results of Countervailing Duty Administrative Review and Revised Suspension Agreement, 51 FR 44649 (December 11, 1986).

[5] *See* Carbon Steel Wire Rod from Argentina; Final Results of Countervailing Duty Administrative Review, 56 FR 40309 (August 14, 1991).

[6] *See* Carbon Steel Wire Rod from Argentina: Extension of Time Limit for Preliminary Results of Five-Year Reviews, 64 FR 9475 (February 26, 1999).

nature of the subsidy and whether the subsidy is a subsidy described in Article 3 or Article 6.1 of the Subsidies Agreement.

The Department's preliminary determinations concerning continuation or recurrence of a countervailable subsidy, the net countervailable subsidy likely to prevail if the order is revoked, and nature of the subsidy are discussed below. In addition, parties' comments with respect to each of these issues are addressed within the respective sections.

Continuation or Recurrence of a Countervailable Subsidy

Party Comments

In its substantive response, the domestics stated that the three programs identified in the suspension agreement, as amended—the ''reembolso'' (an over-rebate of indirect taxes on exports), pre-financing through dollar-indexed pesos, and post-shipment financing of exports under Circular OPRAC 1–9—still exist. The domestics refer to the final results of administrative review of the countervailing duty order on oil country tubular goods from Argentina as evidence that the programs continue to exist.[7]

Acindar argued that countervailable subsidies would not be likely to continue or resume if the suspended investigation were terminated for two reasons. First, Acindar argued that there is currently no U.S. authority to maintain the suspension agreement in effect. Citing to the 1997 revocation of the countervailing duty orders on leather, wool, oil country tubular goods, and carbon steel cold-rolled flat products from Argentina,[8] Acindar asserted that by revoking those orders without consideration of the current status of countervailable subsidies, the Department was following the dictates of the Federal Circuit in Ceramica.[9] Acindar argued that the principles of Ceramica apply equally to suspension agreements entered into without the benefit of a preliminary injury determination. Further, Acindar stated that according to Ceramica, ''Section 1303 ceases to operate as authority for countervailing duties on goods imported after a country has become a 'country under the Agreement.' 64 F.3d at 1582.'' Thus, Acindar argued, the Department may only maintain a countervailing duty regime under Section 1671, which requires a preliminary injury determination. Therefore, since no injury determination underpins the suspension agreement, the United States should terminate the suspension agreement.

Second, Acindar noted that in the most recent administrative review, the Department found that Argentina was in compliance with the suspension agreement. Acindar stated that there is no reason to assume that it would start receiving, or that the Argentine Government would start confering on Acindar, benefits that the Department determines to constitute countervailable subsidies. The Argentine Republic did not address this issue.

In their rebuttal comments, the domestics stated that neither Ceramica nor Leather addressed the issue of suspension agreements. Rather, the domestics point out that the Federal Circuit focused on the Department's ability to assess duties, not the ability to administer a suspension agreement or resume a suspended investigation. The domestics stated that since the Department's sunset review will reactivate this investigation, and Argentina is now a ''country under the Agreement,'' the special regime for a simultaneous injury and sunset review set forth in 19 U.S.C. 1677b and 19 CFR 207.46 should apply to this case. The domestics concluded that, for the reasons stated in their substantive response, the Department should find that subsidization is likely to recur at the rate determined in the preliminary investigation (as adjusted for new subsidies).

Department's Determination

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (''URAA''), specifically the Statement of Administrative Action (''the SAA''), H.R. Doc. No. 103–316, vol. 1 (1994), the House Report, H.R. Rep. No. 103–826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103–412 (1994), the Department issued its Sunset Policy Bulletin providing guidance on methodological and analytical issues, including the basis for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis (*see* section III.A.2 of the Sunset Policy Bulletin). Additionally, the Department normally will determine that revocation of a countervailing duty order or termination of a countervailing duty investigation is likely to lead to continuation or recurrence of a countervailable subsidy where (a) a subsidy program continues, (b) a subsidy program has been only temporarily suspended, or (c) a subsidy program has been only partially terminated (*see* section III.A.3.a of the Sunset Policy Bulletin). Exceptions to this policy are provided where a company has a long record of not using a program (*see* section III.A.3.b of the Sunset Policy Bulletin).

With respect to Acindar's argument that, based on Ceramica, the Department must terminate the suspension agreement, we disagree. Rather, we agree with the domestics that Ceramica addresses the issue of the Department's authority to assess countervailing duties on imports that did not receive an injury test. However, in this case, the Department is not assessing countervailing duties and, in fact, terminated the suspension of liquidation as a result of the conclusion of the suspension agreement. Since the administration of the suspension agreement does not include the assessment of duties, the principles of Ceramica do not apply.

On the basis of information submitted during this sunset review, we have no reason to believe that any of the three programs covered by the suspension agreement have been eliminated by the Government of Argentina. In their substantive responses, neither the Government of Argentina nor Acindar argued that the programs had been terminated. Rather, Acindar argued that the government and Acindar have been complying with the terms of the suspension agreement. As noted above, the terms of the suspension agreement do not require the termination of the programs found countervailable. Rather, the terms of the agreement merely provide that the Government of Argentina (through the Ministry of Economy and Central Bank) shall not provide pre-export and post-shipment financing on exports of carbon steel wire rod and shall not provide any reembolso payments constituting a bounty or grant to manufacturers, producers, or exporters of carbon steel wire rod.

In their substantive response, the domestics relied on the final results issued in 1997 in the administrative review covering OCTG and the period January 1, 1991 through September 19, 1991, as support for their assertion that

[7] *See* Oil Country Tubular Goods From Argentina; Final Results of Countervailing Duty Administrative Review, 62 FR 55589 (October 27, 1997) and Oil Country Tubular Goods From Argentina; Preliminary Results of Countervailing Duty Administrative Review, 62 FR 32307 (June 13, 1997) (''OCTG'').

[8] *See* Substantive response of Acindar, page 3 (December 2, 1998) and Leather from Argentina, Wool from Argentina, Oil Country Tubular Goods from Argentina, and Carbon Steel Cold-rolled Flat Products from Argentina, Final Results of Changed Circumstance Reviews, 62 FR 41361 (August 1, 1997) (''Leather'').

[9] *See* Substantive response of Acindar, page 3 (December 2, 1998) and Ceramica Regiomontana v. United States, 64 F.3d 1579 (Fed. Cir. 1995) (''Ceramica'').

the three programs continue to exist. Consistent with the findings in the latest administrative review of the suspension agreement, in the review on OCTG the Department found that the pre-export financing program was totally suspended on March 8, 1991, by Communique A–1807. In the OCTG review, the Department found the post-export financing was not used. However, in the latest review of the suspension agreement, the Department found that the post-export financing was also totally suspended on March 8, 1991, by Communique A–1807. With respect to the reembolso, in the administrative review of OCTG, the Department found that the legal structure of the reembolso program was changed by Decree 1011/91 in May 1991. Specifically, the Department found that the rebate system was changed to cover only the reimbursements of indirect local taxes and does not cover import duties, except reimbursement of duties paid on imported products which are re-exported. Additionally, the Department found that the rates of reimbursement were reduced by 33 percent for all products and, for OCTG that reduction was from 12.5 to 8.3 percent. Despite the changes found in the programs, we have no evidence that the programs have been terminated.

The SAA at 888, states that temporary suspension or partial termination of a subsidy program also will be probative of continuation or recurrence of countervailable subsidies, absent significant evidence to the contrary. As noted above, neither the Government of Argentina, nor Acindar, provided any argument or evidence that any of the three programs have been terminated. Therefore, absent evidence to the contrary, the Department preliminarily determines that termination of the suspended countervailing duty investigation would likely result in the recurrence of countervailable subsidies.

Net Countervailable Subsidy

Party Comments

In their substantive response, the domestics asserted that the Department should find the base countervailing duty rate likely to prevail if the suspended investigation is terminated to be the rate calculated in the preliminary determination of the original investigation—13.70 percent, as adjusted to reflect likely benefits under the post-export financing program. The domestics stated that this approach would be consistent with the SAA, Sunset Policy Bulletin, and section 752(b)(1)(B) of the Act.

As noted above, Acindar argued that the countervailable subsidy rate that is likely to prevail if the agreement is terminated is zero. Acindar supported this argument by noting that both the government and Acindar have complied with the terms of the suspension agreement. Further, Acindar asserted that there is no reason to assume that Acindar would start receiving, or the Argentine Government would start conferring on Acindar, countervailable subsidies if the investigation were terminated.

Department's Determination

In the Sunset Policy Bulletin, the Department stated that, consistent with the SAA and House Report, ''the Department normally will select a rate ''from the investigation, because that is the only calculated rate that reflects the behavior of exporters and foreign governments without the discipline of an order or suspension agreement in place.'' The Department went on to clarify that, in a sunset review where the Department did not issue a final determination because the investigation was suspended and continuation was not requested, the Department may provide to the Commission the net countervailable subsidy that was determined in the preliminary determination in the original investigation (*see* Section III.B.1 of the Sunset Policy Bulletin). The Department noted that the rate from the original investigation may not be the most appropriate rate if, for example, the rate was derived from subsidy programs which were found in subsequent reviews to be terminated, there has been a program-wide change, or the rate ignores a program found to be countervailable in a subsequent administrative review. (*See* section III.B.3 of the Sunset Policy Bulletin).

We agree with the domestics that, in the original investigation, the Department preliminarily found the net subsidy to be 13.70 percent. However, as noted above, the Department revised the subsidy rate attributable to the reembolso program at the time it concluded the suspension agreement. Specifically, the Department found that 7.6 percent of the 10 percent reembolso constituted an allowable rebate and the overrebate, the amount to be eliminated as a condition of the suspension agreement, was 2.40 percent. Therefore, it is appropriate to reduce the export subsidy attributable to the reembolso from the preliminary 10.44 percent to 2.40 percent. Thus, the net subsidy found in the original investigation was actually 5.36 percent, the sum of 3.36 percent from pre-financing of exports through dollar-indexed pesos and 2.40 percent from the reembolso.

Consistent with the Department's Sunset Policy Bulletin and section 752(b)(1)(B) of the Act, the domestics requested that the Department adjust the net countervailable subsidy from the preliminary determination to reflect the likely benefits under the post-export financing program, the renunciation of which was included in the revised suspension agreement on the basis that it had been found countervailable in countervailing duty investigations on two other Argentine products. The domestics did not specify, however, how, or on what basis, the Department should determine the likely benefits under this program. As a result, we have not adjusted the subsidy to reflect an amount for post-export financing.

Finally, as noted above, in the final results of administrative review on OCTG from Argentina, the Department found that the legal structure of the reembolso program had been changed in May 1991, by Decree 1011/91. Not only had the rebate system been changed to cover only the reimbursement of indirect local taxes and reimbursement of duties paid on imported products which are re-exported, but the rate of reimbursement was reduced by 33 percent for all products. While such a change could potentially have an effect on the level of countervailable subsidy, if any, attributable to the reembolso, we have no basis to determine whether this change would have an effect on exports of carbon steel wire rod. Therefore, we have not made any adjustment for this program-wide change.

Nature of the Subsidy

In the Sunset Policy Bulletin, the Department stated that, consistent with section 752(a)(6) of the Act, the Department will provide information to the ITC concerning the nature of the subsidy and whether it is a subsidy described in Article 3 or Article 6.1 of the Subsidies Agreement. Neither of the parties specifically addressed this issue.

Because receipt of the benefits provided under the reembolso, pre-export financing, and post-export financing programs, are contingent upon export, each program falls within the definition of an export subsidy under Article 3.1(a) of the Subsidies Agreement.

Preliminary Results of Review

As a result of this review, the Department finds that termination of the suspended countervailing duty investigation would be likely to lead to recurrence of a countervailable subsidy. The net countervailable subsidy is 5.36

percent ad valorem. Additionally, each of the three programs (reembolso, pre-export financing, and post-export financing) are subsidies within the meaning of Article 3 of the Subsidies Agreement.

Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing, if requested, will be held on July 17, 1999. Interested parties may submit case briefs no later than July 10, 1999, in accordance with 19 CFR 351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than July 15, 1999. The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such comments, no later than September 28, 1999.

This five-year (''sunset'') review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: May 21, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–13687 Filed 5–27–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–846]

Brake Rotors From the People's Republic of China: Initiation of New Shipper Antidumping Duty Review

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

SUMMARY: The Department of Commerce has received a request to conduct a new shipper review of the antidumping duty order on brake rotors from the People's Republic of China. In accordance with 19 CFR 351.214(d), we are initiating this review.

EFFECTIVE DATE: May 28, 1999.

FOR FURTHER INFORMATION CONTACT: Brian Smith or Brian Ledgerwood, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 482–1766 or 482–3836, respectively.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce (''the Department'') regulations are to the provisions codified at 19 CFR Part 351 (1998).

SUPPLEMENTARY INFORMATION:

Background

The Department has received a timely request from Laizhou Hongda Auto Replacement Parts Co., Ltd., (''Laizhou Hongda''), in accordance with 19 CFR 351.214(c), for a new shipper review of the antidumping duty order on brake rotors from the People's Republic of China (''PRC''), which has an April anniversary date. As required by 19 C.F.R. 351.214(b)(2)(i) and (iii)(A), Laizhou Hongda (''the respondent'') has certified that it did not export brake rotors to the United States during the period of investigation (''POI''), and that it has never been affiliated with any exporter or producer which did export brake rotors during the POI. Laizhou Hongda further certified that its export activities are not controlled by the central government of the PRC, satisfying the requirements of 19 CFR 351.214(b)(2)(iii)(B). Pursuant to the Department's regulations at 19 CFR 351.214(b)(2)(iv), Laizhou Hongda submitted documentation establishing the date on which it first shipped the subject merchandise to the United States, the volume of that first shipment, and the date of its first sale to an unaffiliated customer in the United States.

In accordance with section 751(a)(2)(B) of the Act, as amended, and 19 CFR 351.214(b), and based on information on the record, we are initiating the new shipper review as requested.

It is the Department's usual practice in cases involving non-market economies to require that a company seeking to establish eligibility for an antidumping duty rate separate from the country-wide rate provide *de jure* and *de facto* evidence of an absence of government control over the company's export activities. Accordingly we will issue a separate rates questionnaire to the above-named respondent, allowing 37 days for response. If the response from the respondent provides sufficient indication that Laizhou Hongda is not subject to either *de jure* or *de facto* government control with respect to its exports of brake rotors, this review will proceed. If, on the other hand, Laizhou Hongda does not demonstrate its eligibility for a separate rate, then Laizhou Hongda will be deemed to be affiliated with other companies that exported during the POI and that did not establish entitlement to a separate rate, and this review will be terminated.

Initiation of Review

In accordance with section 751(a)(2)(B)(ii) of the Act and 19 CFR 351.214(d)(1), we are initiating a new shipper review of the antidumping duty order on brake rotors from the PRC. On April 30, 1999, Laizhou Hongda agreed to waive the time limits in order that the Department, pursuant to 19 CFR 351.214(j)(3), may conduct this review concurrent with the second annual administrative review of this order for the period April 1, 1998–March 31, 1999, which is being conducted pursuant to section 751(a)(1) of the Act. Therefore, we intend to issue the final results of this review not later than 245 days after the last day of the anniversary month.

Antidumping duty proceeding	Period to be reviewed
PRC: Brake Rotors, A–570–846.	
Laizhou Hongda Auto Replacement Parts Co., Ltd	04/01/98–03/31/99

We will instruct the U.S. Customs Service to allow, at the option of the importer, the posting, until the completion of the review, of a bond or security in lieu of a cash deposit for each entry of the merchandise exported by the above-listed company. This action is in accordance with 19 CFR 351.214(e) and (j)(3).

Interested parties that need access to the proprietary information in this new shipper review should submit applications for disclosure under administrative protective orders in accordance with 19 CFR 351.305 and 351.306.

This initiation and this notice are in accordance with section 751(a) of the