

the companies' management structures and employees both before and after the acquisition. These documents demonstrate that Glynwed's consolidated leaded steel bar business was purchased as a going concern, and its acquisition by Niagara LaSalle UK resulted in little or no change in production operations, facilities, personnel, supplier relationships and customer base, and that Niagara LaSalle UK's management team consists entirely of former Glynwed managers. Because Niagara LaSalle UK has presented evidence to establish a *prima facie* case of its successorship status, we find it appropriate to issue the preliminary results in combination with the notice of initiation in accordance with 19 CFR 351.221(c)(3)(ii).

Thus, we preliminarily determine that Niagara LaSalle UK should receive the same antidumping and countervailing duty treatment with respect to certain hot-rolled lead and bismuth carbon steel products as the former Glynwed. With regard to countervailing duties, Glynwed is excluded from the countervailing duty order. Thus, if these preliminary results are adopted in our final results of this changed circumstances review, we will instruct the Customs Service to liquidate, without regard to countervailing duties, all entries entered, or withdrawn from warehouse, for consumption on or after May 21, 1999, the date of Niagara LaSalle UK's acquisition of Glynwed. With regard to antidumping duties, a cash deposit rate of 7.69 percent will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this changed circumstances review.

#### Public Comment

Any interested party may request a hearing within 10 days of publication of this notice. Any hearing, if requested, will be held no later than 21 days after the date of publication of this notice, or the first workday thereafter. Case briefs from interested parties may be submitted not later than 7 days after the date of publication of this notice. Rebuttal briefs, limited to the issues raised in those comments, may be filed not later than 14 days after the date of publication of this notice. All written comments shall be submitted in accordance with 19 CFR 351.303. Persons interested in attending the hearing, if one is requested, should contact the Department for the date and time of the hearing. 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.

We are issuing and publishing this determination and notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act and section 351.216 of the Department's regulations.

Dated: September 29, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-811]

#### Final Results of Expedited Sunset Review: Drafting Machines From Japan

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

**ACTION:** Notice of final results of expedited sunset review: drafting machines from Japan.

**SUMMARY:** On June 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the antidumping duty order on drafting machines from Japan 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 and adequate substantive response filed on behalf of a domestic interested party, and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited sunset review. As a result of this review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:** Martha V. Douthit or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th St. & Constitution Ave., NW, Washington, DC 20230; telephone (202) 482-5050 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** October 5, 1999.

#### Statute and Regulations

This review was 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*"). 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 order includes drafting machines that are finished, unfinished, assembled, or unassembled, and drafting machine kits. The term "drafting machine" refers to "track" or "elbow-type" drafting machines used by designers, engineers, architects, layout artists, and others. Drafting machines are devices for aligning scales (or rulers) at a variety of angles anywhere on a drawing surface, generally a drafting board. A protractor head allows angles to be read and set and lines to be drawn. The machine is generally clamped to the board. Also included within the scope are parts of drafting machines. Parts include, but are not limited to, horizontal and vertical tracks, parts of horizontal and vertical tracks, band and pulley mechanisms, protractor heads, and parts of protractor heads, destined for use in drafting machines. Accessories, such as parallel rulers, lamps and scales are not subject to this order. This merchandise is currently classifiable under the Harmonized Tariff Schedule ("HTS") item numbers 9017.10.00 and 9017.90.00. (This merchandise was previously classified under item number 710.8025 of the Tariff Schedule of the United States.) The HTS item numbers are provided for convenience and customs purposes only. The written description remains dispositive.

#### History of the Order

On November 8, 1989, the Department issued a final determination of sales at less than fair value on imports of drafting machines from Japan.<sup>1</sup> On December 29, 1989, the antidumping duty order on the subject merchandise was published in the **Federal Register**.<sup>2</sup>

In the antidumping duty order the Department established an estimated weighted-average dumping margin of 90.87 percent for (one respondent)

<sup>1</sup> See *Drafting Machines and Parts Thereof From Japan; Final Determination of Sales at Less Than Fair Value*, 54 FR 46961 (November 8, 1989).

<sup>2</sup> See *Drafting Machines and Parts Thereof From Japan; Antidumping Duty Order*, 54 FR 53671 (December 29, 1989).

Mutoh Industries, Ltd. ("Mutoh"), and an "all others" rate of 90.87 percent. *Id.* There have been no administrative reviews of this order, and no investigations of duty absorption by the Department.

The order remains in effect for Mutoh, and all other producers and exporters of drafting machines from Japan.

### Background

On June 1, 1999, the Department initiated a sunset review of the antidumping duty order on drafting machines from Japan pursuant to section 751(c) of the Act. On June 16, 1999 we received a Notice of Intent to Participate on behalf of Vemco Drafting Products Corporation ("Vemco"), within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. We received a complete substantive response from the domestic interested party on July 1, 1999, within the deadline specified in section 351.218(d)(3)(i) of the *Sunset Regulations*. Vemco claimed interested party status under section 771(9)(C) of the Act as a U.S. manufacturer of a domestic like product. Vemco was the petitioner in the original investigation.

We did not receive any response from respondent interested parties in this review. As a result, and in accordance with our regulations (19 CFR 351.218(e)(1)(ii)(C)(2)) we determined to conduct an expedited sunset review of this order.

### Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c)(1) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping order. Pursuant to section 752(c)(3) of the Act, the Department shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and magnitude of the margin are discussed below. In addition, Vemco's comments with respect to the continuation or recurrence of dumping and the magnitude of the margin are

addressed within the respective sections below.

### Continuation or Recurrence of Dumping

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 II.A.2 of the Sunset Policy Bulletin). Additionally, the Department normally will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3 of the *Sunset Policy Bulletin*).

In addition to considering the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

In its substantive response, Vemco argues that dumping is likely to continue or recur if the antidumping duty order on drafting machines from Japan were revoked because sales of the subject merchandise to the United States declined to negligible amounts after the Department imposed the antidumping duty order. Therefore, Vemco asserts that this action serves as evidence that producers and exporters of the subject merchandise cannot sell in any significant quantities in the United States without dumping.

Specifically, with regard to imports of the subject merchandise, Vemco asserts that prior to the imposition of this order, import volumes of drafting machines to

the U.S. were substantial (see Vemco's Substantive Response, July 1, 1999 at 7), and that after the imposition of the order, Mutoh America, ceased its imports of drafting machines from Japan.<sup>3</sup> Because the applicable HTS item numbers cover imports in addition to the subject merchandise, (*i.e.*, cover a basket category) in further support of its assertion that sales ceased to the U.S., Vemco submitted an affidavit from Mr. Paul McManigal Vemco's Vice President (see Attachment 1 of Vemco's Substantive Response). In the affidavit, Mr. Paul McManigal states that since the imposition of the order he has closely monitored imports of drafting machines. Mr. McManigal notes that in the year following the issuance of the order imports declined in negligible amounts.

With regard to the existence of dumping margins, Vemco notes that in the Department's final determination of sales at less than fair value, the Department assigned a dumping margin to Mutoh and "all others" of 90.87 percent; the duty deposit rate of 90.87 percent still exists.

In conclusion, Vemco argues that a decline in import volume after the issuance of the order, coupled with the continuation of dumping margins above the *de minimis* level, is probative that producers and exporters of drafting machines from Japan will continue to dump if the order were revoked. Therefore, Vemco maintains that the Department should determine that there is a likelihood of the continuation of dumping of drafting machines from Japan if the order were revoked.

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, existence of dumping margins after the order is issued is highly probative of the likelihood of continuation or recurrence of dumping. If companies continue to dump with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline of the order were revoked. We agree with Vemco that dumping margins above the *de minimis* level continue to exist for Mutoh, the only respondent reviewed in the original investigation.

Although Vemco asserts at various points in its argument that imports of drafting machines from Japan ceased entirely after the imposition of the order, the import statistics do not conclusively support a finding of

<sup>3</sup> Vemco variously asserts that imports of drafting machines from Japan have declined significantly, on the one hand, and ceased altogether, on the other.

cessation of imports. As noted above, imports of the subject merchandise enter the United States under an HTS basket category (*i.e.*, entries of non-subject merchandise are also reported under the same item number). After examining the Department's import trade statistics, we find that imports declined significantly after the issuance of the order. We are unable to determine from the statistics however whether the negligible imports under the HTS item number are of subject or non-subject merchandise.

As noted in the SAA, declining import volumes, accompanied by the continued existence of dumping margins after the issuance of the order may provide a strong indication that, absent an order, dumping would be likely to continue, because the evidence would indicate that the exporter needs to dump to sell at pre-order volumes. Therefore it is reasonable to conclude that Japanese producers and exporters of the subject merchandise cannot sell in the United States without dumping. Given that dumping above *de minimis* continued over the life of the order, imports decreased significantly after the issuance of the order, respondent interested parties waived their right to participate in the instant review, and absent argument and evidence to the contrary, the Department determines that dumping would likely continue or recur if the order on drafting machines from Japan were revoked.

#### Magnitude of the Margin

In the *Sunset Policy Bulletin*, the Department stated that, consistent with the SAA and House Report, the Department will provide to the Commission the company-specific margin from the investigation because that is the only calculated rate that reflects the behavior of exporters without the discipline of an order. Further, for companies not specifically investigated, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. (See section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the *Sunset Policy Bulletin*.)

The Department, in its final affirmative determination of sales at less than fair value, published a weighted-average dumping margin of 90.87 percent for one Japanese producer/exporter of the subject merchandise, and an "all others" rate of 90.87 percent.

With respect to the magnitude of the margin likely to prevail if the order were revoked, in its substantive response, Vemco urged the Department to follow the guidance of the SAA and its stated policy and provide to the Commission the margins from the original investigation.

We agree with Vemco's assertion that we should report to the Commission the rate from the original investigation. Consistent with the *Sunset Policy Bulletin*, the Department, in this case, finds that the rates from the original investigation are the most probative of the behavior of Japanese producers and exporters of drafting machines if the order were to be revoked. Therefore, absent information and argument to the contrary, we see no reason to deviate from our stated policy, and we will report to the Commission the margins contained in the Final Results of Review of this notice.

#### Final Results of Review

As a result of this review, the Department finds that revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping at the levels indicated below.

Manufacturer/exporter	Margin (percent)
Mutoh Industries, Ltd. (Mutoh)	90.87
All Others .....	90.87

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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

Dated: September 29, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-533-809]

#### Certain Forged Stainless Steel Flanges From India; Rescission of Antidumping Duty Administrative Review

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

**ACTION:** Notice of rescission of antidumping duty administrative review.

**SUMMARY:** The Department of Commerce is rescinding the February 1, 1998 through January 31, 1999 antidumping duty administrative review of certain stainless steel flanges from India manufactured by Echjay Forgings Ltd.

**EFFECTIVE DATE:** October 5, 1999.

**FOR FURTHER INFORMATION CONTACT:** Tom Killiam or Mike Heaney, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-3019 and 482-4475, respectively.

#### The 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, all references to the Department of Commerce's ("the Department's") regulations are to 19 CFR part 351 (April 1998).

#### Scope of Review

The merchandise subject to this review is certain forged stainless steel flanges, both finished and not finished, generally manufactured to specification ASTM A-182, and made in alloys such as 304, 304L, 316, and 316L. The scope includes five general types of flanges. They are weld neck, used for butt-weld line connection; threaded, used for threaded line connections; slip-on and lap joint, used with stub-ends/butt-weld line connections; socket weld, used to fit pipe into a machined recession; and blind, used to seal off a line. The sizes of the flanges within the scope range generally from one to six inches; however, all sizes of the above-described merchandise are included in the scope. Specifically excluded from the scope of this order are cast stainless steel flanges. Cast stainless steel flanges generally are manufactured to specification ASTM A-351. The flanges