

DEPARTMENT OF COMMERCE**International Trade Administration**

[A-570-860, A-455-803]

Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars From the People's Republic of China and Poland

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

EFFECTIVE DATE: September 7, 2000.

FOR FURTHER INFORMATION CONTACT: Mark Manning or Magd Zalok at (202) 482-3936 and (202) 482-4162, respectively; AD/CVD Enforcement, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Preliminary Determinations of Critical Circumstances**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 (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 (2000).

Background

In the petition filed on June 28, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of steel concrete reinforcing bars (rebar) from the People's Republic of China (PRC) and Poland.¹ On July 18, 2000, the Department of Commerce (the Department) initiated investigations to determine whether imports of rebar from the PRC and Poland, among others, are being, or are likely to be, sold in the United States at less-than-fair-value (LTFV) (65 FR 45754, July 25, 2000). At that time we also initiated investigations to determine whether critical circumstances exist with respect to imports of rebar from the PRC and Poland.²

¹ The petitioner also alleged that there is a reason to believe or suspect that critical circumstances exist with respect to imports of rebar from Latvia and the Republic of Korea. However, we are not making a determination with respect to these two countries at this time.

² The Department also initiated investigations to determine whether critical circumstances exist with

respect to imports of rebar from Latvia and the Republic of Korea.

On August 14, 2000, the International Trade Commission (ITC) determined that there is a reasonable indication of material injury to the domestic industry from imports of rebar from the PRC and Poland, among others.

In accordance with 19 CFR 351.206(c)(2)(i), because the petitioner submitted critical circumstances allegations more than 20 days before the scheduled date of the preliminary determinations, the Department must issue preliminary critical circumstances determinations not later than the date of the preliminary determinations. In a policy bulletin issued on October 8, 1998, the Department stated that it may issue preliminary critical circumstances determinations prior to the date of the preliminary determinations of dumping, assuming sufficient evidence of critical circumstances is available (see Change in Policy Regarding Timing of Issuance of Critical Circumstances Determinations, 63 FR 55364). In accordance with this policy, at this time we are issuing preliminary critical circumstances decisions in the investigations of imports of rebar from the PRC and Poland, for the reasons discussed below and in the August 30, 2000, Memorandum from Tom Futtner and Gary Taverman to Holly A. Kuga regarding: Antidumping Duty Investigations of Steel Concrete Reinforcing Bar from the People's Republic of China and Poland—Preliminary Determinations of Critical Circumstances (Critical Circumstances Preliminary Determinations Memorandum).

Critical Circumstances

Section 733(e)(1) of the Act provides that the Department will preliminarily determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A)(i) There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period. Section 351.206(h)(1) of the Department's regulations provides that, in determining whether imports of the subject merchandise have been "massive," the Department normally

will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent during the "relatively short period" of time may be considered "massive."

will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, section 351.206(h)(2) of the Department's regulations provides that an increase in imports of 15 percent during the "relatively short period" of time may be considered "massive."

Section 351.206(i) of the Department's regulations defines "relatively short period" as normally being the period beginning on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later. The regulations also provide, however, that if the Department finds that importers, exporters, or producers, had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, the Department may consider a period of not less than three months from that earlier time.

In determining whether the above criteria have been satisfied, we examined: (1) The evidence presented in the petition; (2) recent import statistics released by the Census Bureau after the initiation of the LTFV investigations; and (3) the ITC preliminary injury determinations.

History of Dumping and Importer Knowledge

Because we are not aware of any existing antidumping order in any country on rebar from the PRC or Poland, we do not find a history of dumping from the PRC or Poland pursuant to section 733(e)(1)(A)(i). However, the Department may look to the second criterion for determining knowledge of dumping.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that the exporter was selling rebar at LTFV, pursuant to section 733(e)(1)(A)(ii) of the Act, the Department's normal practice is to consider margins of 25 percent or more sufficient to impute knowledge of dumping. See Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China, 62 FR 31972, 31978 (June 11, 1997). In the instant cases, given that we have not yet made a preliminary finding of dumping, the most reasonable source of information concerning knowledge of dumping is the petition itself. In the petition, the petitioner calculated estimated dumping margins of 59.98 percent for the PRC and 53.54 percent for Poland. Since these estimated dumping margins exceed the 25 percent threshold, we have preliminarily imputed knowledge of dumping to

importer, exporters, or producers of subject merchandise from the PRC and Poland. *See* the Critical Circumstances Preliminary Determinations Memorandum.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that there was likely to be material injury by reason of dumped imports, under section 733(e)(1)(A)(ii) of the Act, the Department normally will look to the preliminary injury determinations of the ITC. If the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, the Department will determine that a reasonable basis exists to impute importer knowledge that there was likely to be material injury by reason of dumped imports. *See* Final Determination of Sales at Less Than Fair Value: Certain Cut-To-Length Carbon Steel Plate from the People's Republic of China, 62 FR 61964 (November 20, 1997). In the instant cases, the ITC has found that a reasonable indication of present material injury due to dumping exists for all imports of rebar from the PRC and Poland. *See* ITC's Preliminary Determinations, August 14, 2000. Therefore, we preliminarily find that there is a reasonable basis to believe or suspect that importers knew or should have known that dumped imports of rebar from the PRC and Poland were likely to cause material injury.

Massive Imports

In determining whether there are "massive imports" over a "relatively short period," pursuant to section 733(e)(1)(B) of the Act, the Department normally compares the import volume of the subject merchandise for at least three months immediately preceding the filing of the petition (*i.e.*, the "base period"), and at least three months following the filing of the petition (*i.e.*, the "comparison period"). However, as stated in section 351.206(i) of the Department's regulations, if the Secretary finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, then the Secretary may consider a time period of not less than three months from that earlier time. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period.

In this case, the petitioner argues that importers, exporters, or producers of rebar from the PRC and Poland had reason to believe that an antidumping

proceeding was likely before the filing of the petition. Based upon information contained in the petition, we found that press reports and published statements were sufficient to establish that, by December 1999, importers, exporters, and foreign producers knew or should have known that a proceeding was likely concerning rebar from the PRC and Poland. Accordingly, we examined the increase in import volumes from July 1999 through December 1999, as compared to the import volume during January 2000 through June 2000, and found that imports of rebar from the PRC increased by 182.76 percent and that imports from Poland increased from zero to over 58,000 metric tons, an unquantifiable percent. *See* the Critical Circumstances Preliminary Determinations Memorandum. Therefore, pursuant to section 733(e) of the Act and section 351.206(h) of the Department's regulations, we preliminarily determine that there have been massive imports of rebar from the PRC and Poland over a relatively short time.

Conclusion

Given the above-referenced reasons, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist for imports of rebar from the PRC and Poland.

Suspension of Liquidation

In accordance with section 733(e)(2) of the Act, upon issuance of affirmative preliminary determinations of sales at LTFV in the investigations with respect to the PRC and Poland, the Department will direct the U.S. Customs Service to suspend liquidation of all such entries of rebar from the PRC and Poland that are entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication in the **Federal Register** of our preliminary determinations of sales at LTFV. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margins reflected in the preliminary determinations of sales at LTFV published in the **Federal Register**. This suspension of liquidation will remain in effect until further notice.

Final Critical Circumstances Determinations

We will make final determinations concerning critical circumstances for the PRC and Poland when we make our final determinations regarding sales at LTFV in those investigations, which will be 75 days (unless extended) after the preliminary LTFV determinations.

ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determinations. This notice is issued and published pursuant to section 777(i) of the Act.

Dated: August 30, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-401-401]

Certain Carbon Steel Products from Sweden: Preliminary Results of Countervailing Duty Administrative Review and Extension of Time Limit for Final Results of Countervailing Duty Administrative Review

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

ACTION: Notice of preliminary results of countervailing duty administrative review.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain carbon steel products from Sweden. The period covered by this administrative review is January 1, 1998 through December 31, 1998. For information on the net subsidy for each reviewed company, as well as for all non-reviewed companies, please see the "Preliminary Results of Review" section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service (Customs) to assess countervailing duties as detailed in the "Preliminary Results of Review" section of this notice. Interested parties are invited to comment on these preliminary results. (*See* "Public Comment" section of this notice.)

EFFECTIVE DATE: September 7, 2000.

FOR FURTHER INFORMATION CONTACT: Tipten Troidl or Gayle Longest, AD/CVD Enforcement, Office VI, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-1767 and (202) 482-3338, respectively.

SUPPLEMENTARY INFORMATION: