

**DEPARTMENT OF COMMERCE****International Trade Administration**

[C-357-815, C-533-821, C-560-813, C-791-810, C-549-818]

**Notice of Initiation of Countervailing Duty Investigations: Certain Hot-Rolled Carbon Steel Flat Products From Argentina, India, Indonesia, South Africa, and Thailand**

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

**ACTION:** Initiation of Countervailing Duty Investigations.

**EFFECTIVE DATE:** December 12, 2000.

**FOR FURTHER INFORMATION CONTACT:** Robert Copyak (Argentina), at (202) 482-2209; Eric Greynolds (India), at (202) 482-6071; Stephanie Moore (Indonesia), at (202) 482-3692; Sally Gannon (South Africa), at 482-0162; and Dana Mermelstein (Thailand), at (202) 482-1391, Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, N.W., Washington, D.C. 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 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR Part 351 (2000).

**The Petitions**

On November 13, 2000, the Department of Commerce (the Department) received petitions filed in proper form on behalf of Bethlehem Steel Corporation; LTV Steel Company, Inc.; National Steel Corporation; and U.S. Steel Group, a Unit of USX Corporation; Gallatin Steel Company; IPSCO Steel Inc.; Nucor Corporation; Steel Dynamics, Inc.; Weirton Steel Corporation, and the Independent Steelworkers Union (the petitioners). The United Steelworkers of America notified the Department that it also is a petitioning party in these investigations on November 16, 2000. The Department received from the petitioners information supplementing the petitions throughout the 20-day initiation period.

In accordance with section 702(b)(1) of the Act, the petitioners allege that manufacturers, producers, or exporters of certain hot-rolled carbon steel flat

products (hot-rolled steel or subject merchandise) in Argentina, India, Indonesia, South Africa, and Thailand receive countervailable subsidies within the meaning of section 701 of the Act.

The Department finds that the petitioners filed the petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (D) of the Act. The petitioners have demonstrated sufficient industry support with respect to each of the countervailing duty investigations which they are requesting the Department to initiate (*see Determination of Industry Support for the Petitions*, below).

**Scope of Investigations**

For purposes of these investigations, the products covered are certain hot-rolled carbon steel flat products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers), regardless of thickness, and in straight lengths, of a thickness of less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm, but not exceeding 1250 mm, and of a thickness of not less than 4.0 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of these investigations.

Specifically included within the scope of these investigations are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium or niobium (also commonly referred to as columbium), or both, added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products to be included in the scope of these investigations, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products in which: (i) Iron predominates, by weight, over each of the other contained elements; (ii) the carbon content is 2 percent or less, by weight; and (iii) none of the elements

listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or  
2.25 percent of silicon, or  
1.00 percent of copper, or  
0.50 percent of aluminum, or  
1.25 percent of chromium, or  
0.30 percent of cobalt, or  
0.40 percent of lead, or  
1.25 percent of nickel, or  
0.30 percent of tungsten, or  
0.10 percent of molybdenum, or  
0.10 percent of niobium, or  
0.15 percent of vanadium, or  
0.15 percent of zirconium.

All products that meet the physical and chemical description provided above are within the scope of these investigations unless otherwise excluded. The following products, by way of example, are outside or specifically excluded from the scope of these investigations:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including, e.g., American Society for Testing and Materials (ASTM) specifications A543, A387, A514, A517, A506).
  - Society of Automotive Engineers (SAE)/American Iron & Steel Institute (AISI) grades of series 2300 and higher.
  - Ball bearings steels, as defined in the HTSUS.
  - Tool steels, as defined in the HTSUS.
  - Silico-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 2.25 percent.
  - ASTM specifications A710 and A736.
  - USS abrasion-resistant steels (USS AR 400, USS AR 500).
  - All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507).
  - Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS.
- The merchandise subject to these investigations is classified in the HTSUS at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00,

7208.90.00.00, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, and 7211.19.75.90. Certain hot-rolled carbon steel flat products covered by these investigations, including: vacuum degassed fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Subject merchandise may also enter under 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00. Although the HTSUS subheadings are provided for convenience and U.S. Customs purposes, the written description of the merchandise under investigation is dispositive.

During our review of the petitions, we discussed the scope with the petitioner to ensure that it accurately reflects the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations (62 FR 27323), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments by December 26, 2000. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determinations.

### Consultations

Pursuant to section 702(b)(4)(A)(ii) of the Act, the Department invited representatives of the relevant foreign governments for consultations with respect to the petitions filed. The Department held consultations with representatives of the governments of Thailand on November 28, Argentina on November 29, and South Africa on November 30, 2000. See the memoranda to the file regarding these consultations (public documents on file in the Central Records Unit of the Department of Commerce, Room B-099). The Government of Indonesia did not accept

our invitation to hold consultations before the initiation. However, it has requested a meeting after initiation. The Government of India also did not accept our invitation to hold consultations before the initiation. It did, however, submit written comments on December 4, 2000. In addition, it has requested a meeting after initiation.

### Determination of Industry Support for the Petitions

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, to determine whether the petition has the requisite 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.<sup>1</sup>

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

In this case, "the article subject to investigation" is substantially similar to the scope of the Department's investigations involving hot-rolled carbon steel products initiated in 1998. See *Initiation of Antidumping Duty Investigations: Certain Hot-Rolled Flat-*

*Rolled Carbon-Quality Steel Products From Brazil, Japan, and the Russian Federation*, 63 FR 56607 (October 22, 1998). The only differences are as follows: (1) A 2.25 percent silicon maximum content level (as opposed to 1.50 percent in the 1998 case); (2) the omission of maximum content levels for boron and titanium; and (3) the itemization of two additional examples of products specifically excluded from the scope, *i.e.*, all products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507), and non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS. The Department has reviewed reasonably available information to determine whether the products within the scope of the investigations constitute one or more than one domestic like product.

Some steel products classified as alloy steels based on the HTSUS are recognized as carbon steels by the industry and/or the marketplace. For example, *The Book of Steel*, a 1996 publication by Sollac, a flat-rolled steel division of Usinor, one of the largest steel companies in the world, identifies HSLA, IF, and motor lamination steels as falling within categories of plain carbon sheet steels (*see* chapters 44, 45 and 52). Also, *Carbon and Alloy Steels*, published in 1996 by ASM International, a major materials society, indicates that HSLA steels are not considered to be alloy steels, but are in fact similar to as-rolled mild-carbon steel and are generally priced by reference to the base price for carbon steels (*see* page 29). *Carbon and Alloy Steels* also distinguishes between carbon-boron and alloy-boron steels; the former may contain boron at levels which would classify it as alloy under the HTSUS, but would not classify it as an alloy steel commercially because, unlike the alloy-boron steels, higher levels of other alloying elements are not specified (*see, e.g.*, pages 159 and 161).

We noted that, in the 1998 hot-rolled steel investigations, we discussed these issues with representatives of the ITC and the International Trade Administration's (ITA's) Office of Trade Development. Other than the fact that the AISI technically defines alloy steels based on alloy levels comparable to those in the HTSUS, none of the agency representatives cited reasons why the products in question might be treated as distinct from hot-rolled carbon steels. In addition to the research discussed above, the Department determined in

<sup>1</sup> 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 Therefore from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380-81 (July 16, 1991).

the 1998 hot-rolled steel investigations that, with respect to certain steel products, such as high-strength low-alloy steel, industry sources indicated that these steel products are manufactured by similar processes, are priced from similar bases, are marketed in comparable ways, and are used for similar applications. *See Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil, Japan, and the Russian Federation: Attachment to the Initiation Checklist, Re: Industry Support, October 15, 1998* (which is on file and publicly available in the Central Records Unit (CRU) of the Main Commerce Department building). We are unaware of any factual differences between the present case and the initiation of the 1998 hot-rolled steel investigations. Thus, based on our analysis of the information presented to the Department above and the information obtained and reviewed independently by the Department, we have determined that there is a single domestic like product which is defined in the *Scope of Investigations* section above, and have analyzed industry support in terms of this domestic like product.

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(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 702(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 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 which is attached to the Initiation Checklist for each country (*See Import Administration CVD Investigation Initiation Checklist (Initiation Checklist)*, Attachment Re: Industry Support, December 4, 2000).

Based on information from these sources, the Department determined, pursuant to Section 702(c)(4)(D), that there is support for the petition as required by subparagraph (A). Specifically, the Department made the following determinations. For Argentina, India, Indonesia, South Africa, and Thailand, 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 702(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 702(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 702(b)(1) of the Act. *See* the December 4, 2000, memoranda to the file (for each country) regarding the initiation of each investigation (public documents on file in the Central Records Unit of the Department of Commerce, Room B-099).

#### **Injury Test**

Because Argentina, India, Indonesia, South Africa, and Thailand are "Subsidies Agreement Countries" within the meaning of section 701(b) of the Act, section 701(a)(2) applies to these investigations. Accordingly, the ITC must determine whether imports of the subject merchandise from these countries materially injure, or threaten material injury to, a U.S. industry.

#### **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 subsidized imports of the subject merchandise. Petitioners contend that the industry's injured condition is evident in the declining trends in net operating profits, net sales volumes, profit-to-sales ratios, and capacity utilization. The allegations of injury and causation are supported by relevant evidence including business proprietary data from the petitioning firms and U.S.

Customs import data. The Department assessed the allegations and supporting evidence regarding material injury and causation, and determined that these allegations are supported by accurate and adequate evidence and meet the statutory requirements for initiation. *See* the December 4, 2000, memoranda to the file (for each country) regarding the initiation of each investigation (public documents on file in the Central Records Unit of the Department of Commerce, Room B-099).

#### **Allegations of Subsidies**

Section 702(b) of the Act requires the Department to initiate a countervailing duty proceeding whenever an interested party files a petition, on behalf of an industry, that (1) alleges the elements necessary for an imposition of a duty under section 701(a), and (2) is accompanied by information reasonably available to petitioners supporting the allegations.

#### **Initiation of Countervailing Duty Investigations**

The Department has examined the countervailing duty petitions on hot-rolled steel from Argentina, India, Indonesia, South Africa, and Thailand, and found that they comply with the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(b) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters of hot-rolled steel from these countries receive subsidies. *See* the December 4, 2000, memoranda to the file (for each country) regarding the initiation of each investigation (public versions on file in the Central Records Unit of the Department of Commerce, Room B-099).

##### *A. Argentina*

We are including in our investigation the following programs alleged in the petition to have provided countervailable subsidies to producers and exporters of the subject merchandise in Argentina:

1. *Equity Infusions Bestowed from 1984 through 1990*
2. *Government of Argentina Assumption of Debt*
3. *Relief from Liquidation Costs*
4. *Additional Subsidies from Reorganization/Privatization under Decree 1144/92*
5. *Investment Commitment*
6. *Tax Abatement Program*
7. *Rebate of Indirect Taxes (Reembolso)*
8. *Pre-and Post-shipment Export Financing*
9. *Zero-Tariff Turnkey Bill*

### Creditworthiness

Petitioners have also alleged that Sociedad Mixta Siderurgica Argentina (SOMISA) was uncreditworthy in 1991 and 1992. To support this allegation, petitioners stated that the company had negative operating margins and negative return on sales in each of these two years. However, petitioners further stated that to fund these losses the company took on more long-term debt. Under the Department's policy, the presence of long-term borrowing generally constitutes dispositive evidence that a firm is creditworthy if such loans are provided without a government guarantee. See Section 351.505(a)(4)(ii) of the Department's CVD Regulations. Absent information that this debt was guaranteed by the Government of Argentina or other similar information, we do not plan to investigate SOMISA's alleged creditworthiness in 1991 and 1992.

### B. India

We are including in our investigation the following programs alleged in the petition to have provided countervailable subsidies to producers and exporters of the subject merchandise in India:

1. *The Passbook Scheme (PBS)*
2. *The Duty Entitlement Passbook Scheme—Pre- and Post-Export Credits (DEPBS)*
3. *Advanced, Advanced Intermediate and Special Imprest Import Licenses Under the Duty Exemption Scheme*
4. *Special Import Licenses (SIL)*
5. *Export Promotion Capital Goods Scheme (EPCGS)*
6. *Concessional Export Financing (Pre- and Post-shipment Export Financing)*
7. *Exemption of Export Credit from Interest Taxes*
8. *Income Tax Deductions Under Section 80 HHC*
9. *Loan Guarantees from the Government of India (GOI)*
10. *The GOI's Forgiveness of Steel Development Fund Loans Issued to Steel Authority of India Limited (SAIL)*
11. *GOI Forgiveness of Other Loans Issued to SAIL*
12. *Steel Development Fund (SDF) Loans*

In the *Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate from India (CTL Plate)*, 64 FR 73131, 73138 (December 29, 1999), we determined that because the SDF was funded by producer levies and other non-GOI monies, there was no evidence

of direct or indirect funding by the GOI. In addition, in *CTL Plate*, 64 FR at 73143, we determined that there was no evidence indicating that the GOI controlled the SDF. Therefore, we determined that the program was not countervailable.

However, new information provided in the petition has led us to reconsider our finding in *CTL Plate* regarding the GOI's level of control of the SDF. Section 771(5)(B)(iii) of the Act states that a subsidy is bestowed when an authority "entrusts or directs a private entity to make a financial contribution." Given that the GOI apparently has the authority to waive SAIL's SDF loans, we determine that, for the purposes of this initiation, there is sufficient evidence to initiate an investigation of the GOI's ability to control the terms at which participating companies can borrow from the fund.

### Creditworthiness

In their November 13, 2000 filing and their November 22, 2000 amended filing, petitioners allege that SAIL was uncreditworthy in each year during the period 1989 through March 31, 2000.<sup>2</sup>

Based on an analysis of the information provided by petitioners, including detailed data regarding SAIL's financial health between the years 1989 through 2000, we recommend initiating an investigation on whether SAIL was uncreditworthy only during the fiscal years 1999 and 2000. An examination of key financial ratios reveals general consistency during the fiscal years 1989 through 1998. Only in the fiscal years covering April 1, 1998, through March 31, 1999, and April 1, 1999, through March 31, 2000, do the ratios take a substantial negative turn, especially with regard to profit ratios. Additionally, petitioners have provided information indicating that SAIL neared being declared a "sick" company based on its 1998–99 financial information, but they have not provided evidence indicating that SAIL was on the verge of such a declaration before that time.

We note that it appears from SAIL's annual reports that the company received long-term loans from commercial sources that were outstanding as of the time of its 1999 annual report. The presence of such loans generally constitutes dispositive evidence that a firm is creditworthy if such loans are provided without a government guarantee (see Section 351.505(a)(4)(ii) of the Department's CVD Regulations). However, given certain specific allegations made by

petitioners regarding loan guarantees by the GOI, it is possible that the loans highlighted in SAIL's annual reports do indeed contain guarantees by the GOI. On this basis, we are investigating whether SAIL was uncreditworthy during the fiscal years 1999 and 2000.

### C. Indonesia

We are including in our investigation the following programs alleged in the petition to have provided countervailable subsidies to producers and exporters of the subject merchandise in Indonesia:

1. *1995 Equity Infusion into P.T. Krakatau Steel*
2. *Pre-1993 Equity Infusion*
3. *1989 Equity Infusion to Cold Rolling Mill of Indonesia (CRMI)*
4. *Three-Step Equity Infusion to CRMI*
5. *Two-Step Loan Program*
6. *Bank of Indonesia Rediscount Loan Program*

### Creditworthiness

Petitioners have submitted information sufficient to warrant an examination of the creditworthiness of Krakatau and CRMI in the years in which these companies were approved for equity and other non-recurring benefits.

### D. South Africa

We are including in our investigation the following programs alleged in the petition to have provided countervailable subsidies to producers and exporters of the subject merchandise in South Africa:

1. *1996 and 1999 Equity Infusions into Saldanha Steel (Proprietary) Limited (Saldanha)*
2. *Industrial Development Corporation (IDC) Loans*
3. *Impofin Loan Guarantees*
4. *Section 37E Tax Allowances*

### Creditworthiness

Petitioners have submitted information sufficient to warrant an examination of the creditworthiness of Saldanha in the years in which the company was approved for equity and other non-recurring benefits.

### E. Thailand

We are including in our investigation the following programs alleged in the petition to have provided countervailable subsidies to producers and exporters of the subject merchandise in Thailand:

1. *Duty Exemptions on Imports of Raw and Essential Materials Under Section 30 of the Investment Promotion Act (IPA)*

<sup>2</sup> SAIL's most recently completed fiscal year was March 31, 2000.

2. *Duty Exemptions on Imports of Machinery Under IPA Section 28*
3. *Exemptions from VAT Under Section 21(4) of the VAT Act*
4. *Corporate Income Tax Exemptions Under IPA Section 31*
5. *Additional Tax Deductions Under IPA Section 35*
6. *IPA Subsidies for Construction of SSI's On-Site Power Plant*
7. *IPA Subsidies for Building and Operating the Prachuab Port*
8. *SSI Debt Restructuring*
9. *LPN Debt Restructuring*
10. *Loans from the Industrial Finance Corporation of Thailand (IFCT) and the Thai Export-Import Bank*
11. *Other Loans and Loan Guarantees from Banks Owned, Controlled, or Influenced by the RTG*
12. *Export Packing Credits*
13. *Pre-shipment Finance Facilities*
14. *Export Insurance Program*
15. *Trust Receipt Financing for Raw Materials*
16. *Tax Certificates for Export*
17. *Import Duty Exemptions for Industrial Estates*
18. *Export Processing Zone Incentives*
19. *Provision of Water Infrastructure for Less Than Adequate Remuneration*
20. *Provision of Electricity for Less Than Adequate Remuneration*

#### Creditworthiness

Petitioners allege that both Sahaviriya Steel Industries Pcl (SSI) and LPN Plate Mill Pcl. (LPN) have been uncreditworthy since 1996. Our review of the information provided by the petitioners indicates that SSI was able to issue debentures to the public in 1995, and it was not until 1996 that these debentures lost their value. While SSI's financial ratios were very weak in 1995, it was not until the end of 1996 that the company's ratios indicated that they were in serious financial difficulty and would have trouble meeting their debt obligations; in fact, SSI defaulted on its convertible bond issue in July 1998. The company continued to experience serious financial difficulties through at least the third quarter of 1999. As such, we will examine whether SSI was uncreditworthy from 1997 through 1999. With respect to LPN, we have examined the ratios based on information submitted by petitioners and we consider that the company's financial position, while deteriorating, was not critical until 1996. While petitioners were unable to obtain financial statements for the years after 1997, other evidence provided by the petitioners indicates that LPN continued to experience financial difficulties through the third quarter of 1999. Thus, we will examine whether LPN was

uncreditworthy from 1997 through 1999.

We are not including in our investigation the following programs alleged to be benefitting producers and exporters of the subject merchandise in Thailand:

1. *Fuel subsidies for SSI.* Petitioners allege that the preliminary plans for the Steel Based Industrial Estate, where SSI is located, called for it to build a power plant on site to supply its steel mills. This plan called for SSI to start a "special purpose joint venture" to build the plant and receive Board of Investment (BoI) incentives similar to its other companies. Petitioners further allege that SSI was going to obtain fuel from PTT, Thailand's national oil company. Petitioners contend that PTT was going to provide SSI with fuel at international prices well below those available to other Thai producers. The Sahaviriya Power Plant Report that petitioners reference states "that it will be critical to insure that they (PTT) provide competitive pricing in the same fashion that they do to EGAT." Although petitioners have alleged that "competitive" pricing constitutes a benefit, they have provided no information to support their allegation that the fuel is provided for less than adequate remuneration in accordance with section 771(5)(E)(iv) of the Act. *Steel Scrap Export restrictions.*

Petitioners allege that Thailand imposes an export duty on scrap iron and steel. Petitioners claim that a financial contribution and benefit would be conferred under such export restrictions because, by the RTG's prevention of scrap exports, Thai steelmakers would gain a supply of low-priced steel scrap, an input in the steelmaking process. Petitioners contend that such a program would satisfy specificity requirements because steel producers are the primary users of steel scrap. We note that although economic theory would indicate that steel scrap export restrictions in Thailand might artificially lower domestic steel scrap prices, the Department requires information demonstrating that the restrictions had a downward pressure on steel scrap prices in order to meet the threshold of initiation. The petitioners did not provide sufficient information to support their allegation that the export restraints have "led directly to a discernible lowering of input costs." See Statement of Administrative Action ("SAA") accompanying the URAA, H.R. Doc. No. 103-316, at 257.

#### Distribution of Copies of the Petitions

In accordance with section 702(b)(4)(A)(i) of the Act, copies of the

public version of the petition have been provided to the representatives of Argentina, India, Indonesia, South Africa, and Thailand. We will attempt to provide copies of the public version of the petition to all the exporters named in the petition, as provided for under section 351.203(c)(2) of the Department's regulations.

#### ITC Notification

Pursuant to section 702(d) of the Act, we have notified the ITC of these initiations.

#### Preliminary Determination by the ITC

The ITC will determine by December 28, 2000, whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports of certain hot-rolled carbon steel flat products from Argentina, India, Indonesia, South Africa, and Thailand. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, the investigations will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 777(i) of the Act.

Dated: December 4, 2000.

**Troy H. Cribb,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

[I.D. 120400C]

#### Availability of a Draft Environmental Assessment/Finding of No Significant Impact and Receipt of an Application for an Incidental Take Permit (1272)

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration, Commerce.

**ACTION:** Notice of availability.

**SUMMARY:** NMFS received an application for an incidental take permit (Permit) from the Oregon Department of Fish and Wildlife (ODFW) and the Washington Department of Fish and Wildlife (WDFW) pursuant to the Endangered Species Act of 1973, as amended (ESA). As required by the ESA, ODFW and WDFW have also prepared a conservation plan (Plan)