references to the provisions codified at 19 CFR part 351 (2000).

Scope of Review

Imports covered by this review are oil country tubular goods, hollow steel products of circular cross-section, including oil well casing, tubing, and drill pipe, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). This scope does not cover casing, tubing, or drill pipe containing 10.5 percent or more of chromium. The OCTG subject to this order are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.21.30.00, 7304.21.60.30, 7304.21.60.45, 7304.21.60.60, 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.30.10, 7304.29.30.20, 7304.29.30.30, 7304.29.30.40, 7304.29.30.50, 7304.29.30.60, 7304.29.30.80, 7304.29.40.10, 7304.29.40.20, 7304.29.40.30, 7304.29.40.40, 7304.29.40.50, 7304.29.40.60, 7304.29.40.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.60.15, 7304.29.60.30, 7304.29.60.45, 7304.29.60.60, 7304.29.60.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.20.10.30, 7306.20.10.90, 7306.20.20.00, 7306.20.30.00, 7306.20.40.00, 7306.20.60.10, 7306.20.60.50, 7306.20.80.10, and 7306.20.80.50.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

The Department has determined that couplings, and coupling stock, are not within the scope of the antidumping order on OCTG from Mexico. See Letter to Interested Parties; Final Affirmative Scope Decision, August 27, 1998.

Background

On August 31, 2000, petitioner on behalf of U.S. Steel Group, a unit of USX Corporation, requested an administrative review of Tubos de Acero de Mexico S.A. (TAMSA), a Mexican producer and exporter of OCTG, with respect to the antidumping order published in the **Federal Register** on August 11, 1995 (60 FR 41055). Additionally, respondent Hylsa, S.A. de C.V. (Hylsa) requested that the Department conduct an administrative review of Hylsa. We initiated the review for both companies on October 2, 2000 (65 FR 58733). On October 19, 2000, Hylsa withdrew its request and requested that the Department terminate the review with respect to Hylsa. On October 26, 2000, we received comments from TAMSA. On December 22, 2000, we received comments from petitioners. These comments are discussed below.

SUPPLEMENTARY INFORMATION: On October 26, 2000 TAMSA claimed that ''it did not export, directly or indirectly, enter for consumption, or sell, export or ship for entry for consumption in the United States subject merchandise during the period of review.'' Petitioner subsequently claimed on December 22, 2000, that publicly available import data from the Department's IM–145 database showed that 2,914 metric tons of seamless OCTG from Mexico entered the United States during the period of review. Petitioner asserted that TAMSA was the only producer of seamless OCTG in Mexico. In addition, petitioner claimed that subject merchandise produced by TAMSA was shipped from a third country and entered into the United States during the period of review. Petitioner requested that the Department investigate these transactions to determine whether this merchandise is subject to review.

In response to a telephone query on March 6, 2001, TAMSA indicated that it made no U.S. sales or consumption entries during the POR. TAMSA claimed all of its shipments to the United States were TIB entries, and were destined for re-export. TAMSA also indicated that it had no knowledge of its customers having entered covered merchandise into the United States for consumption. See Memorandum to File dated March 17, 2001.

During March 2001, the U.S. Customs Service (Customs) officially confirmed that the entries shipped by TAMSA to the United States were TIB entries. Customs also confirmed that none of these entries entered the customs territory of the United States during the POR for consumption. With respect to the third country shipment referenced by the petitioner, Customs officially confirmed on April 5, 2001 that the merchandise had been entered under the proper country of export (the third country) and that the merchandise was declared as being of Mexican origin and was entered subject to duty. Because this merchandise was exported to the United States by a party not affiliated with TAMSA and not subject to this review, and because there is no evidence that TAMSA had knowledge of the shipment or was involved with it in any way, we have determined that there are no shipments for purposes of this review. On April 18, 2001, the Department forwarded a no-shipment inquiry to the Customs for circulation to all Customs ports. Customs did not indicate to the Department that there was any record of consumption entries during the POR of OCTG exported by TAMSA.

Because there were no entries for consumption during the POR for OCTG for which TAMSA was the appropriate respondent, and because Hylsa withdrew its request for review, we are rescinding this review in accordance with the Department's practice. The cash deposit rate for these firms will continue to be the rate established in the most recently completed segment of this proceeding.

This notice is issued and published in accordance with section 777(i) of the Act and 19 CFR 351.213(d)(4).

Dated: May 2, 2001.

Joseph A. Spetrini,

Deputy Assistant Secretary, AD/CVD Enforcement Group III.

[FR Doc. 01–12213 Filed 5–14–01; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–337–805, A–201–829]

Initiation of Antidumping Duty Investigations: Spring Table Grapes From Chile and Mexico

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

ACTION: Initiation of Antidumping Duty Investigations.

EFFECTIVE DATE: May 15, 2001.

FOR FURTHER INFORMATION CONTACT: Donna Kinsella (for Chile) or Irina Itkin (for Mexico) at (202) 482–0194 and (202) 482–0656, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 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 of Commerce's (the Department's) regulations are references to the provisions codified at 19 CFR part 351 (April 2000).

The Petitions

On March 30, 2001, the Department received petitions filed in proper form by The Desert Grape Growers League of California and its members (collectively ''the League''). The Department received information supplementing the petitions throughout the initiation period.

In accordance with section 732(b) of the Act, the petitioners allege that imports of spring table grapes from Chile and Mexico are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring an industry in the United States.

On April 12 and 13, 2001, we received submissions from the Asociacion Agricola Local de Productores de Uva de Mesa, A.C. (AALPUM) and the Asociacion de Exportadores de Chile (ASOEX), associations of exporters of the subject merchandise in Mexico and Chile, respectively, which challenged the basis for the petitioners' claim of industry support. On April 19, 2001, the petitioners filed a response. On April 24, 2001, AALPUM and ASOEX submitted additional comments on the issue of industry support, and the petitioners responded to these comments on April 30, 2001. Moreover, in April and May 2001, the Department received a number of letters from producers of table grapes in California opposing the petitions. In addition, we received several letters from California table grape producers supporting the petitions. The Department has taken these submissions into consideration in making the initiation determination.

Pursuant to section 732(c)(1)(B) the Department extended the deadline for initiation to no later than May 9, 2001.

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

Scope of Investigations

The scope of these investigations includes imports of any variety of vitis vinifera species table grapes from Chile or Mexico, entered during the period April 1 through June 30, inclusive, regardless of grade, size, maturity, horticulture method (*i.e.,* organic or not) or the size of the container in which packed. The scope specifically covers all varieties of seedless or seeded grapes including, but not limited to, Thompson, Red Flame, Red Globe, Perlettes, Superior seedless, Sugrone, Ribier, Black seedless, Red seedless, Blanca Italia, Moscatel Rosada, Crimson seedless, Lavallee, Emperor, Queen Rose, Calmeria, Christmas Rose, Down seedless, Beauty seedless, Almeria, Supreme seedless, Superior Seedless M., Late Royal, Muscat seedless, Royal seedless, Early Ribier, Cardinal, Moscatel Dorada, Black Giant, Kaiji, Lady Rose, Black Diamond, Piruviano, Early Thompson, King Ruby seedless, White seedless, Queen seedless, Autumn seedless, Royal, Pink seedless, Green Globe, Autumn Black, Black Beauty, and Royal Giant. The scope specifically covers all table grapes entered within the April 1 through June 30 window of each year, whether or not subject to the Federal Marketing Order set forth in 7 CFR, part 925. For further discussion, see the May 9, 2001, memorandum from the case team to Richard Moreland and Joseph Spetrini entitled ''Temporal Limitations on the Class or Kind Described in the Antidumping Duty Petitions on Spring Table Grapes from Mexico and Chile.''

The scope excludes by-product grapes and other grapes for use as other than table grapes, including those grapes used for raisins, crushing, juice, wine, canning, processed foods and other by-product and not direct consumption purposes.

The spring table grapes subject to these investigations are classifiable under subheading 0806.10.40 of the Harmonized Tariff Schedule of the United States (HTS). Although the HTS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

During our review of the petitions, we discussed the scope with the petitioners to ensure that it accurately reflects the product for which the domestic industry is seeking relief. We note that the scope in the petitions included all spring table grapes harvested through June 30 of each year. However, the U.S. Customs Service has informed us that including a harvesting limitation would lead to problems in its administering these cases. *See* the April 11, 2001, memorandum from Chief, Special Products Branch at the United States Customs Service to David Goldberger entitled ''Proposed Scope Language, Spring Table Grapes from Chile and Mexico.'' We agree that including grapes harvested through June 30 will raise major questions for imports after June 30. As a consequence, we have not included spring table grapes harvested during the period April 1 though June 30 but entered after that period in the scope of the merchandise under investigation. We have discussed this scope modification with the petitioners.

As discussed in the preamble to the Department's regulations (*see Antidumping Duties; Countervailing Duties; Final Rule,* 62 FR 27295, 27323 (May 19, 1997)), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments within 20 calendar days of publication of this notice. 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.

Class or Kind

In addition to describing the physical product at issue, the antidumping duty petitions on spring table grapes from Mexico and Chile limit the class or kind to table grapes entered in the spring. Parties have argued that the Department does not have the authority to accept a class or kind limited to imports during certain periods, or, in the alternative, that the temporal limitations in this case are not appropriate. However, in the view of the Department the statute does not preclude a limitation on subject merchandise according to the time of year during which that merchandise was produced or entered. Section 771(25) of the Act only defines the term subject merchandise in pertinent part as the ''class or kind of merchandise that is within the scope of an investigation. * * *'' However, neither the term ''class or kind'' nor the term ''scope'' is defined in the statute.

It is well established that the Department has the ultimate authority under the statute to define the class or kind of merchandise subject to its

proceedings.[1] Thus, the Department has the authority both to limit and to expand the class or kind alleged in the petition.[2] This authority notwithstanding, it has generally been the policy of the Department to accept the class or kind of merchandise alleged in the petition absent some overarching reason to modify that class or kind.[3] This policy stems from the fact that the domestic industry is in the best position to identify the imports that they compete against and believe to be unfairly traded.[4]

Moreover, a petitioning industry often must draw a bright line between the imports it wants covered and those it does not. To the extent it can establish that the covered imports are dumped and the cause of material injury, it is entitled to relief under the statute, notwithstanding the fact that it may have excluded from the scope other products which may or may not also be the subject of injurious dumping. It is appropriate not to make imports the subject of unnecessary antidumping proceedings. It is also appropriate that the Department not force the petitioner to seek duties on products against its will.

In the present case, the petitioners have drawn a legitimate line between those products they believe to be appropriately covered, and those they do not. First, the existence of a separate HTS number for the April 1–June 30 period (*i.e.* HTS 0806.10.40) supports a finding that such a period appropriately can form a class or kind of merchandise. The Department has often stated that its determination as to the appropriate coverage of an investigation is not determined by HTS categories. However, the fact that the period of April through June falls under a separate HTS category reflects the fact that imports during this season are recognized by industry and other U.S. government agencies as distinct from other imports. In both cases the petitioners have rationally identified those imports which directly compete with their product, and excluded from the investigation those imports which they are not concerned about. Imports from Chile and Mexico during the April 1 through July 30 period compete with spring grape production in the United States, which begins in May and continues through July.

For all of these reasons we have determined that these cases can proceed on the basis of a class or kind defined in part by the April 1 through June 30 period.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that the Department's industry support determination, which is to be made before the initiation of the investigation, be based on whether a minimum percentage of the relevant industry supports the petition. 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. Moreover, section 732(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 Department shall either poll the industry or rely on other information in order to determine if there is support for the petition.

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.[5]

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 subtitle.'' 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.

The domestic like product described in the petitions is spring table grapes sold for fresh use, regardless of variety. Based upon our review of the petitioners' claims, we concur that there is a single domestic like product: spring table grapes sold for fresh consumption. For further discussion, see the May 9, 2001, from the case team to Richard Moreland and Joseph Spetrini memorandum entitled ''Domestic Like Product and Industry Support.''

Concerning industry support, for both countries covered by the petitions, the petitioners claimed that they represent the majority of the spring table grapes industry, defined as growers of U.S. table grapes in the period April through June. We find that the spring table grapes industry consists of those producers who harvest grapes predominantly during this period (*i.e.*, those producers in the Coachella Valley of California and western Arizona).

[1] *See Mitsubishi Elec. Corp.* v. *United States*, 898 F.2d 1577, 1582 (Fed. Cir. 1990); and *Diversified Products Corp.* v. *United States,* 572 F.Supp. 883, 887 (1983). *See also Smith-Corona Group* v. *United States*, 713 F.2d 1568, 1582 (Fed. Cir. 1983), cert. denied, 465 U.S. 1022 (1984).

[2] *See Mitsubishi Elec. Corp.* v. *United States,* 700 F.Supp. 538, 555 (1988), aff'd, 898 F.2d 1577 (Fed. Cir. 1990); and *Torrington Co.* v. *United States,* 745 F.Supp. 718, 721 n4 (CIT 1990).

[3] In many cases the Department has used the so-called ''Diversified Products'' criteria in analyzing class or kind issues. See 19 CFR § 351.225(k)(2). However, these criteria are not used to expand the class or kind defined in the petition, but rather to determine whether a particular product is within the class or kind as defined or, more rarely, to determine whether the scope as alleged actually covers several classes or kinds. See, e.g. *Partial Recission of Initiation of Antidumping Investigations and Dismissal of Petitions; Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From Romania, Singapore, and Thailand,* 53 FR 39327 (October 6, 1988) (Department split one class or kind in to five classes or kinds); and *Cyanuric Acid and Its Chlorinated Derivatives from Japan Used in the Swimming Pool Trade; Final Determination of Sales at Less Than Fair Value,* 49 FR 7424 (1984) (Department split one class or kind into three classes or kinds). In other words, absent some overarching reason to the contrary, the fact that application of the ''Diversified Products'' criteria reveals that a particular product which is excluded from the scope could be considered within the same class or kind will not normally result in including that product in the coverage of the investigation for reasons discussed above: to the extent the petitioners are not interested in seeking trade relief against a particular product, the Department should not require them to do so. There does not appear to be any such reason to depart from this approach in this case.

[4] *See Torrington,* 745 F.Supp. at 721. (''The petitioner's description of class or kind is awarded some deference inasmuch as the petitioner often will call Commerce's attention to an otherwise overlooked potential dumping problem.'').

[5] *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 from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition,* 56 FR 32376, 32380–81 (July 16, 1991).

Consequently, we find that the petitioners established industry support by demonstrating that they account for over 25 percent of total production of the domestic like product (*see Antidumping Investigations Initiation Checklist,* dated May 9, 2001 (*Initiation Checklist*), thereby meeting the first requirement under section 732(c)(4)(A) of the Act.

We note that in 2000 a small amount of production by the Coachella Valley and western Arizona producers actually occurred in July. However, even if we include all U.S. production data for July in our determination of industry support, we would find that the petitioners established industry support by demonstrating that they account for over 25 percent of total production of the domestic like product (*see* the May 9, 2001, memorandum from the team to Richard W. Moreland and Joseph Spetrini entitled ''Industry Support Calculations in the Antidumping Duty Petitions on Spring Table Grapes from Chile and Mexico'' (the Industry Support Memo). In making this determination, we observe that by including July the petitioners would represent less than 50 percent of the domestic production of the like product in the April through July period. For this reason, we have additionally examined industry support as required by section 732(c)(4)(D) of the Act considering the positions of each company with production in the April through July period which expressed an opinion on the petitions. We find that, based on this additional information, there is still sufficient support for the petition. Specifically, we find that the companies supporting the petitions represent over 50 percent of the production of companies that have expressed support or opposition to the petitions. Furthermore, because we have determined that several additional companies have taken neutral positions with respect to the petitions, we find that any additional potential opposition could not possibly represent over 50 percent of the industry. *See* the Industry Support Memo. Accordingly, we determine that these petitions are filed on behalf of the domestic industry within the meaning of section 732(c)(4)(A) of the Act.

Constructed Export Price and Normal Value

The following are descriptions of the allegations of sales at less than fair value upon which the Department based its decision to initiate these investigations. The sources of data for the deductions and adjustments relating to U.S. price, home market price, third country price, and constructed value (CV) are also discussed in the *Initiation Checklist.* Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we may re-examine the information and revise the margin calculations, if appropriate.

Chile

Constructed Export Price

The petitioners identified ten of the largest export trading companies which account for sixty percent by volume of spring table grape exports to the United States during the year 2000. The ten exporters are: David del Curto S.A., Dole Chile S.A., Exportadora Rio Blanco Ltda., Exportadora Agua Santa S.A., Exportadora Chiquita-Enza Chile Ltda., Del Monte Fresh Produce S.A., (formerly United Trading Company), Servicios de Exportaciones Fruiticolas Ltda., Sociedad Agro Comercial Verfrut Ltda., Exportadora Aconcagua Ltda., Exportadora Unifruitti Traders Ltda. The petitioners used information obtained through foreign market research to demonstrate that the prices negotiated by the U.S. importers/distributors of spring table grapes to their customers in the U.S. market on behalf of Chilean exporters are the prices that should be used to determine dumping margins for grapes exported from Chile. To the best of the petitioners' knowledge, the exporter is the first party in the chain of distribution that has knowledge of the ultimate destination of the merchandise. In this case, the exporters sell the grapes in the United States through affiliated or unaffiliated importers/distributors. Accordingly, it is appropriate to use constructed export price (CEP) based on the prices of the sales by the U.S. importers/distributors in the United States. However, the petitioners were unable to obtain these prices. For purposes of the petition, petitioners obtained through foreign market research the corresponding FOB Chile prices (*i.e.,* the resulting price after the deduction of all relevant expenses from the prices of sales in the United States). These prices are based on data compiled by ODEPA, an official government agency of Chile. The average FOB Chile prices obtained through foreign market research are consistent with the average FOB values in the official U.S. import statistics. (*See* Exhibit B–13 of the petition.)

Normal Value

With respect to normal value (NV), information reasonably available to the petitioners indicates the existence of a particular market situation which renders price comparisons between home market and U.S. prices inappropriate. The factors cited by the petitioners as evidence of a particular market situation in Chile with respect to spring table grapes are the same factors present in *Notice of Final Determination of Sales at Less Than Fair Value: Fresh Atlantic Salmon From Chile,* 63 FR 31411 (June 9, 1998): (1) The Chilean table grape industry is export-oriented; (2) the home market is incidental to the Chilean industry; (3) the home market is comprised almost exclusively of grapes graded as other than export quality; (4) the home market sales are made at drastically reduced prices compared to the export quality merchandise; and (5) domestically-sold spring table grapes had perfunctory marketing and distribution. As a result, the petitioners obtained information through foreign market research for nine Chilean exporters with respect to sales to third country markets. The petitioners obtained information demonstrating that the Netherlands, Hong Kong/People's Republic of China, and Mexico are by far the principal third country export markets for Chilean spring table grapes. The petitioners relied on exporter-specific data to determine the largest third country market by exporter and then based NV for that exporter on its sales to that market.

In the course of this investigation, the Department will examine further the issue of particular market situation and the proper comparison market to be examined in this investigation.

Based upon the comparison of CEP to NV, the estimated dumping margins range from 23.00 to 99.39 percent.

Mexico

Constructed Export Price

According to the petitioners, U.S. sales of the subject merchandise should be considered CEP sales, as the first sales to unaffiliated customers in the United States are made by brokers/commissionaires in the United States on behalf of the Mexican producers.

The petitioners based CEP on U.S. export price data from two Mexican growers' associations. According to the petitioners, these prices are packed, FOB shipping prices in Nogales, Arizona. To calculate CEP, the petitioners deducted a distributor's commission (*i.e.,* distributor mark-up), cold storage and palletization costs, and movement expenses (*i.e.,* foreign inland freight, U.S. border crossing fees, USDA inspection fees, and U.S. inland freight) from the price quotes. The information

for all of these adjustments except foreign inland freight, palletization and cold storage expenses were based on the actual documentation of U.S. sales transactions. The other information was obtained from the petitioners' foreign market research. The petitioners also made an adjustment for credit expenses based on the payment terms claimed to be typical for the industry and the average lending rate in the United States during the second quarter of 2000, as published in *International Financial Statistics.*

Normal Value

The petitioners based NV on CV because they claimed that all of the prices that they obtained in the home market were made below the fully absorbed cost of production (COP), within the meaning of section 773(b) of the Act. As a consequence, they alleged that there are reasonable grounds to believe or suspect that sales of the subject merchandise in the home market were made at below-cost prices and they requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of cost of manufacture (COM), selling, general, and administrative (SG&A) expenses, and packing expenses. The petitioners calculated COM, SG&A expenses, and packing expenses for three varieties of grapes based on costs contained in foreign market research studies for grapes produced in Mexico. We adjusted the petitioners' calculations of the COPs by excluding the amounts for selling expenses, because these expenses were deducted, in part, from the home market sales prices.

With respect to home market price, the petitioners obtained Mexican home market daily wholesale prices through the Mexican National Market Information System. The petitioners made a deduction from home market price for foreign inland freight obtained from foreign market research. Additionally, the petitioners deducted distributor markups using the percentage applied to CEP sales as they were unable to obtain comparable Mexican price information.

The petitioners claimed that their foreign market research showed that there are no other fees, such as inspection or cold storage expenses, incurred on home market sales. However, based on the description of the harvesting and distribution system, we find it unlikely that grapes in the home market underwent no cold storage at all. For purposes of the initiation, we included an adjustment for cold storage expenses to the net home market price based on the same information applied to CEP.

Based upon a comparison of the prices of the foreign like products in the home market to the calculated COPs of those products, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners based NV on CV. The petitioners calculated CVs for three varieties of grapes using the same COM, SG&A and packing expense figures used to compute the home market costs. The petitioners, using a conservative approach, did not include an amount for profit in their calculation of CV as provided by section 773(e)(2) of the Act. We adjusted the petitioners' calculations of CV by excluding the amounts of selling expenses the petitioners included in SG&A expenses.

The petitioners claimed that their foreign market research showed that there are generally no credit expenses incurred on home market sales. However, our review of the petition documentation indicates that home market credit expense may be incurred on some sales. Therefore, for purposes of the initiation, we included an adjustment to CV for Mexican credit expenses using the payment terms data applied to the CEP sales and the Mexican interest rate published in *International Financial Statistics.*

Based upon the comparison of CEP to CV, the revised calculated estimated dumping margins range from 0 to114.77 percent.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of spring table grapes from Chile and Mexico are being, or are likely to be, sold at less than fair value.

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 imports of the subject merchandise. The petitioners contend that the industry's injured condition is evident in the declining trends in net operating income, net sales volume and value, profit to sales ratios, and capacity utilization. The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, lost sales, and pricing information. We have assessed the allegations and supporting evidence regarding material injury and causation, and have determined that these allegations are properly supported by accurate and adequate evidence, and meet the statutory requirements for initiation (*see Initiation Checklist*).

Initiation of Antidumping Investigations

Based upon our examination of the petitions on spring table grapes, we have found that they meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of spring table grapes from Chile and Mexico are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of each petition has been provided to the representatives of the governments of Chile and Mexico. We will attempt to provide a copy of the public version of each petition to each exporter named in the petition, as appropriate.

International Trade Commission Notification

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will determine, no later than June 4, 2001, whether there is a reasonable indication that imports of spring table grapes from Chile and Mexico are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination for any country will result in the investigations being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

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

Dated: May 9, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01–12212 Filed 5–14–01; 8:45 am]

BILLING CODE 3510–DS–P