

*Initiation of Antidumping Investigations*

Based upon our examination of the petitions on sulfanilic acid, 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 sulfanilic acid from Hungary and Portugal are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended pursuant to section 733(c)(1), 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 respective petition has been provided to the representatives of the governments of Hungary and Portugal. We will attempt to provide a copy of the public version of each petition to each exporter named in the petitions, as provided for under section 351.203(c)(2) of the Department's regulations.

*ITC 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 November 13, 2001, whether there is a reasonable indication that imports of sulfanilic acid from Hungary or Portugal 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 investigation 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: October 18, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

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

[C-357-817, C-351-835, C-427-823, C-580-849]

**Notice of Initiation of Countervailing Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Brazil, France, and the Republic of Korea**

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

**SUMMARY:** The Department of Commerce is initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters of certain cold-rolled carbon steel flat products from Argentina, Brazil, France, and the Republic of Korea have received countervailable subsidies.

**ACTION:** Initiation of countervailing duty investigations.

**EFFECTIVE DATE:** October 26, 2001.

**FOR FURTHER INFORMATION CONTACT:**

Suresh Maniam (Argentina, Brazil, and France) at (202) 482-0176 and Jonathon Lyons (Argentina and the Republic of Korea) at (202) 482-0374; Import Administration, International Trade Administration, U.S. Department of Commerce, Room 3099, 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. In addition, unless otherwise indicated, all citations to the Department of Commerce's (the "Department") regulations are references to the provisions codified at 19 CFR part 351 (April 2001).

*The Petitions*

On September 28, 2001, the Department received petitions filed in proper form by Bethlehem Steel Corp., United States Steel LLC, LTV Steel Company, Inc., Steel Dynamics, Inc., National Steel Corp., Nucor Corp., WCI Steel, Inc., and Weirton Steel Corp. (collectively, "the petitioners"). The Department received supplemental information to support the petition for France on October 3, 2001.

In accordance with section 702(b)(1) of the Act, the petitioners allege that manufacturers, producers, or exporters

of the subject merchandise from Argentina, Brazil, France, and the Republic of Korea receive countervailable subsidies within the meaning of section 701 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

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) of the Act and they have demonstrated sufficient industry support. See "Determination of Industry Support for the Petitions" section, below.

*Scope of Investigations*

For purposes of these investigations, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products, neither clad, plated, nor coated with metal, but whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances, both in coils, 0.5 inch wide or wider, (whether or not in successively superimposed layers and/or otherwise coiled, such as spirally oscillated coils), and also in straight lengths, which, if less than 4.75 mm in thickness having a width that is 0.5 inch or greater and that measures at least 10 times the thickness; or, if of a thickness of 4.75 mm or more, having a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular or other shape and include products of either rectangular or non-rectangular cross-section.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free ("IF")) steels, high strength low alloy ("HSLA") steels, and motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum.

Steel products included in the scope of this investigation, regardless of definitions in the Harmonized Tariff Schedules of the United States ("HTSUS"), are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight, and; (3) 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 (also called columbium), or 0.15 percent of vanadium, or 0.15 percent of zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products, by way of example, are outside and/or

specifically excluded from the scope of this investigation:

- SAE grades (formerly also called AISI grades) above 2300;
- Ball bearing steels, as defined in the HTSUS;
- Tool steels, as defined in the HTSUS; Silico-manganese steel, as defined in the HTSUS;
- Silicon-electrical steels, as defined in the HTSUS, that are grain-oriented;
- Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level exceeding 2.25 percent;
- 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;

• Silicon-electrical steels, as defined in the HTSUS, that are not grain-oriented and that have a silicon level less than 2.25 percent, and (a) fully-processed, with a core loss of less than 0.14 watts/pound per mil (0.001 inch), or (b) semi-processed, with core loss of less than 0.085 watts/pound per mil (0.001 inch);

• Certain shadow mask steel, which is aluminum killed cold-rolled steel coil that is open coil annealed, has an ultra-flat, isotropic surface, and which meets the following characteristics:

Thickness: 0.001 to 0.010 inch  
Width: 15 to 32 inches

CHEMICAL COMPOSITION

Element .....	C
Weight % .....	<0.002%

- Certain flapper valve steel, which is hardened and tempered, surface polished, and which meets the following characteristics:

Thickness: ≤1.0 mm  
Width: ≤152.4 mm

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S
Weight % .....	0.90-1.05	0.15-0.35	0.30-0.50	≤0.03	≤0.006

MECHANICAL PROPERTIES

Tensile Strength .....	≥162 Kgf/mm <sup>2</sup> .
Hardness .....	≥475 Vickers hardness number.

PHYSICAL PROPERTIES

Flatness .....	<0.2% of nominal strip width.
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Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite.

NON-METALLIC INCLUSION

Thickness (mm)	Roughness (μm)
Sulfide Inclusion .....	>0.04%
Oxide Inclusion .....	>0.05%

Compressive Stress: 10 to 40 Kgf/mm<sup>2</sup>

SURFACE ROUGHNESS

Thickness (mm)	Roughness (μm)
t≤0.209 .....	Rz≤0.5
0.209<t≤0.310 .....	Rz≤0.6
0.310<t≤0.440 .....	Rz≤0.7

SURFACE ROUGHNESS—Continued

Thickness (mm)	Roughness (µm)
0.440<t≤0.560 .....	Rz≤0.8
0.560<t .....	Rz≤1.0

- Certain ultra thin gauge steel strip, which meets the following characteristics:  
 Thickness: ≤0.100 mm ±7%  
 Width: 100 to 600 mm

CHEMICAL COMPOSITION

Element .....	C	Mn	P	S	Al	Fe
Weight % .....	≤0.07	0.2–0.5	≤0.05	≤0.05	≤0.07	Balance

MECHANICAL PROPERTIES

Hardness .....	Full Hard (Hv 180 minimum).
Total Elongation .....	<3%.
Tensile Strength .....	600 to 850 N/mm <sup>2</sup> .

PHYSICAL PROPERTIES

Surface Finish .....	≤0.3 micron.
Camber (in 2.0 m) .....	<3.0 mm.
Flatness (in 2.0 m) .....	≤0.5 mm.
Edge Burr .....	<0.01 mm greater than thickness.
Coil Set (in 1.0 m) .....	<75.0 mm.

- Certain silicon steel, which meets the following characteristics:  
 Thickness: 0.024 inch ± .0015 inch  
 Width: 33 to 45.5 inches

CHEMICAL COMPOSITION

Element .....	C	Mn	P	S	Si	Al
Min. Weight % .....	.....	.....	.....	.....	0.65	.....
Max. Weight % .....	0.004	0.4	0.09	0.009	.....	0.4

MECHANICAL PROPERTIES

Hardness .....	B 60–75 (AIM 65)
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PHYSICAL PROPERTIES

Finish .....	Smooth (30–60 microinches).
Gamma Crown (in 5 inches) .....	0.0005 inch, start measuring one-quarter inch from slit edge.
Flatness .....	20 I-UNIT max.
Coating .....	C3A-.08A max. (A2 coating acceptable).
Camber (in any 10 inch feet) .....	1/16.
Coil Size I.D. ....	20 inches.

MAGNETIC PROPERTIES

Core Loss (1.5T/60 Hz) NAAS .....	3.8 Watts/Pound max.
Permeability (1.5T/60 Hz) NAAS .....	1700 gauss/oersted typical, 1500 minimum.

- Certain aperture mask steel, which has an ultra-flat surface flatness and which meets the following characteristics:
- Thickness: 0.025 to 0.245 mm
- Width: 381–1000 mm

CHEMICAL COMPOSITION

Element .....	C	N	Al
Weight % .....	<0.01	0.004 to 0.007	<0.007

- Certain annealed and temper-rolled cold-rolled continuously cast steel, which meets the following characteristics:

CHEMICAL COMPOSITION

Element	C	Mn	P	S	Si	Al	As	Cu	B	N
Min. Weight %	0.02	0.20	.....	.....	.....	0.03	.....	.....	.....	0.003
Max. Weight %	0.06	0.40	0.02	0.023 (Aiming 0.018 Max.)	0.03	0.08 (Aiming 0.05)	0.02	0.08	.....	0.008 (Aiming 0.005)

Non-metallic Inclusions: Examination with the S.E.M. shall not reveal individual oxides >1 micron (0.000039 inch) and inclusion groups or clusters shall not exceed 5 microns (0.000197 inch) in length.

Surface Treatment as follows:

The surface finish shall be free of defects (digs, scratches, pits, gouges, slivers, etc.) and suitable for nickel plating.

SURFACE FINISH

	Roughness, RA microinches (micrometers)		
	Aim	Min.	Max
Extra Bright .....	5 (0.1)	0 (0)	7 (0.2)

- Certain annealed and temper-rolled cold-rolled continuously cast steel, in coils, with a certificate of analysis per Cable System International ("CSI") Specification 96012, with the following characteristics:

CHEMICAL COMPOSITION

Element	C	Mn	P	S
Max Weight %	0.13	0.60	0.02	0.05

PHYSICAL AND MECHANICAL PROPERTIES

Base Weight .....	55 pounds.
Theoretical Thickness .....	0.0061 inch (+/- 10 percent of theoretical thickness).
Width .....	31 inches.
Tensile Strength .....	45,000-55,000 psi.
Elongation .....	Minimum of 15 percent in 2 inches.

- Concast cold-rolled drawing quality sheet steel, ASTM a-620-97, Type B, or single reduced black plate, ASTM A-625-92, Type D, T-1, ASTM A-625-76 and ASTM A-366-96, T1-T2-T3 Commercial bright/luster 7a both sides, RMS 12 maximum. Thickness range of 0.0088 to 0.038 inches, width of 23.0 inches to 36.875 inches.
- Certain single reduced black plate, meeting ASTM A-625-98 specifications, 53 pound base weight (0.0058 inch thick) with a Temper classification of T-2 (49-57 hardness using the Rockwell 30 T scale).
- Certain single reduced black plate, meeting ASTM A-625-76 specifications, 55 pound base weight, MR type matte finish, TH basic tolerance as per A263 trimmed.
- Certain single reduced black plate, meeting ASTM A-625-98 specifications, 65 pound base weight (0.0072 inch thick) with a Temper classification of T-3 (53-61 hardness using the Rockwell 30 T scale).
- Certain cold-rolled black plate bare steel strip, meeting ASTM A-625 specifications, which meet the following characteristics:

CHEMICAL COMPOSITION

Element	C	Mn	P	S
Max. Weight %	0.13	0.60	0.02	0.05

PHYSICAL AND MECHANICAL PROPERTIES

Thickness .....	0.0058 inch ±0.0003 inch.
Hardness .....	T2/HR 30T 50-60 aiming.
Elongation .....	≥15%.
Tensile Strength .....	51,000.0 psi ±4.0 aiming.

- Certain cold-rolled black plate bare steel strip, in coils, meeting ASTM A-623, Table II, Type MR specifications, which meet the following characteristics:

CHEMICAL COMPOSITION

Element .....	C	Mn	P	S
Max. Weight % .....	0.13	0.60	0.04	0.05

PHYSICAL AND MECHANICAL PROPERTIES

Thickness .....	0.0060 inch (± 0.0005 inch).
Width .....	10 inches (+ 1/4 to 3/8 inch/ - 0).
Tensile Strength .....	55,000 psi max.
Elongation .....	Minimum of 15 percent in 2 inches.

- Certain "blue steel" coil (also known as "steamed blue steel" or "blue oxide") with a thickness of 0.30 mm to 0.42 mm and width of 609 mm to 1219 mm, in coil form;
- Certain cold-rolled steel sheet, coated with porcelain enameling prior to importation, which meets the following characteristics:

Thickness (nominal): ≤0.019 inch  
 Width: 35 to 60 inches

CHEMICAL COMPOSITION

Element .....	C	O	B
Max. Weight % .....	0.004	0.010	0.012
Min. Weight % .....			

- Certain cold-rolled steel, which meets the following characteristics:  
 Width: >66 inches

CHEMICAL COMPOSITION

Element .....	C	Mn	P	Si
Max. Weight % .....	0.07	0.67	0.14	0.03

PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	0.800–2.000
Min. Yield Point (MPa) .....	265
Max Yield Point (MPa) .....	365
Min. Tensile Strength (MPa) .....	440
Min. Elongation % .....	26

- Certain band saw steel, which meets the following characteristics:  
 Thickness: ≤ 1.31 mm  
 Width: ≤ 80 mm

CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S	Cr	Ni
Weight % .....	1.2 to 1.3	0.15 to 0.35	0.20 to 0.35	≤0.03	≤0.00	0.3 to 0.5	0.25

Other properties:

Carbide: Fully spheroidized having >80% of carbides, which are ≤ 0.003 mm and uniformly dispersed  
 Surface finish: Bright finish free from pits, scratches, rust, cracks, or seams Smooth edges.  
 Edge camber (in each 300 mm of length): ≤ 7 mm arc height Cross bow (per inch of width): 0.015 mm max.

- Certain transformation-induced plasticity (TRIP) steel, which meets the following characteristics:

Variety 1

CHEMICAL COMPOSITION

Element .....	C	Si	Mn
Min. Weight % .....	0.09	1.0	0.90
Max. Weight % .....	0.13	2.1	1.7

PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	1.000–2.300 (inclusive).
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## PHYSICAL AND MECHANICAL PROPERTIES—Continued

Min. Yield Point (MPa) .....	320.
Max Yield Point (MPa) .....	480.
Min. Tensile Strength (MPa) .....	590.
Min. Elongation % .....	24 (if 1.000–1.199 thickness range). 25 (if 1.200–1.599 thickness range). 26 (if 1.600–1.999 thickness range). 27 (if 2.000–2.300 thickness range).

*Variety 2*

## CHEMICAL COMPOSITION

Element .....	C	Si	Mn
Min. Weight % .....	0.12	1.5	1.1
Max. Weight % .....	0.16	2.1	1.9

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	1.000–2.300 (inclusive).
Min. Yield Point (MPa) .....	340.
Max. Yield Point (MPa) .....	520.
Min. Tensile Strength (MPa) .....	690.
Min. Elongation % .....	21 (if 1.000–1.199 thickness range). 22 (if 1.200–1.599 thickness range). 23 (if 1.600–1.999 thickness range). 24 (if 2.000–2.300 thickness range).

*Variety 3*

## CHEMICAL COMPOSITION

Element .....	C	Si	Mn
Min. Weight % .....	0.13	1.3	1.5
Max. Weight % .....	0.21	2.0	2.0

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	1.200–2.300 (inclusive).
Min. Yield Point (MPa) .....	370.
Max. Yield Point (MPa) .....	570.
Min. Tensile Strength (MPa) .....	780.
Min. Elongation % .....	18 (if 1.200–1.599 thickness range). 19 (if 1.600–1.999 thickness range). 20 (if 2.000–2.300 thickness range).

- Certain cold-rolled steel, which meets the following characteristics:

*Variety 1*

## CHEMICAL COMPOSITION

Element .....	C	Mn	P	Cu
Min. Weight % .....	0.10	0.40	0.10	0.15
Max. Weight % .....	0.10	0.40	0.10	0.35

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	0.600–0.800
Min. Yield Point (MPa) .....	185
Max. Yield Point (MPa) .....	285
Min. Tensile Strength (MPa) .....	340
Min. Elongation .....	31 (ASTM standard 31% = JIS standard 35%)

*Variety 2*

## CHEMICAL COMPOSITION

Element .....	C	Mn	P	Cu
Min. Weight % .....	0.05	0.40	0.08	0.15
Max. Weight % .....				0.35

Variety 3

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness Range (mm) .....	0.800–1.000
Min. Yield Point (MPa) .....	145
Max. Yield Point (MPa) .....	245
Min. Tensile Strength (MPa) .....	295
Min. Elongation % .....	31 (ASTM standard 31% = JIS standard 35%)

## CHEMICAL COMPOSITION

Element .....	C	Si	Mn	P	S	Cu	Ni	Al	Nb, Ti, V, B	Mo
Max. Weight % .....	0.01	0.05	0.40	0.10	0.023	0.15–.35	0.35	0.10	0.10	0.30

## PHYSICAL AND MECHANICAL PROPERTIES

Thickness (mm): .....	0.7
Elongation %: ≥ .....	35

• Porcelain enameling sheet, drawing quality, in coils, 0.014 inch in thickness, +0.002, –0.000, meeting ASTM A-424-96 Type 1 specifications, and suitable for two coats.

The merchandise subject to this investigation is typically classified in the HTSUS at subheadings:

7209.15.0000, 7209.16.0030,  
7209.16.0060, 7209.16.0090,  
7209.17.0030, 7209.17.0060,  
7209.17.0090, 7209.18.1530,  
7209.18.1560, 7209.18.2550,  
7209.18.6000, 7209.25.0000,  
7209.26.0000, 7209.27.0000,  
7209.28.0000, 7209.90.0000,  
7210.70.3000, 7210.90.9000,  
7211.23.1500, 7211.23.2000,  
7211.23.3000, 7211.23.4500,  
7211.23.6030, 7211.23.6060,  
7211.23.6085, 7211.29.2030,  
7211.29.2090, 7211.29.4500,  
7211.29.6030, 7211.29.6080,  
7211.90.0000, 7212.40.1000,  
7212.40.5000, 7212.50.0000,  
7225.19.0000, 7225.50.6000,  
7225.50.7000, 7225.50.8010,  
7225.50.8085, 7225.99.0090,  
7226.19.1000, 7226.19.9000,  
7226.92.5000, 7226.92.7050,  
7226.92.8050, and 7226.99.0000.

Although the HTSUS subheadings are provided for convenience and U.S. Customs Service (“U.S. Customs”) purposes, the written description of the merchandise under investigation is dispositive.

*Consultations*

Pursuant to section 702(b)(4)(A)(ii) of the Act, the Department invited representatives of the Governments of Argentina (“GOA”), Brazil (“GOB”), France (“GOF”), the Republic of Korea (“GOK”), and the European Commission (“EC”) for consultations with respect to the petitions filed. The GOK did not accept our invitation to hold consultations. On October 12, 2001, the Department held separate consultations with the GOA, GOB, and the GOF/EC. The GOA also submitted additional information on October 15, 2001. The points raised in the consultations are described in the individual country-specific consultation memoranda to the file dated October 12, 2001, which are on file in the Department’s Central Records Unit, Room B-099 of the main Department of Commerce building.

*Determination of Industry Support for the Petition*

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, when determining the degree of 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 petitions. Moreover, the petitioners do not offer a definition of domestic like product distinct from the scope of the investigation.

The petitions cover certain cold-rolled steel as defined in the “Scope of the Investigations” section, above, a single

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

class or kind of merchandise. The Department has no basis on the record to find the petitioners' definition of the domestic like product to be inaccurate. The Department, therefore, has adopted the domestic like product definition set forth in 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 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 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 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 any statistically valid sampling method to poll the industry.

The Department has determined, pursuant to section 732(c)(4)(D), that there is support for the petitions as required by subparagraph (A). Specifically, the Department made the following determinations. For Argentina, Brazil, France, and the Republic of Korea, 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 petitions account for at least 25 percent of the total production of the domestic like product, and the requirements of section 732(c)(4)(A)(i) are met. Furthermore, because the Department received no opposition to the petitions, the domestic producers or workers who support the petitions 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 petitions. Thus, the requirements of section 732(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 732(b)(1) of the Act. See the Initiation Checklists for each country dated October 18, 2001 ("*Initiation Checklist*").

#### *Injury Test*

Because Argentina, Brazil, France, and the Republic of Korea are each a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act 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, an industry in the United States.

#### *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 stagnation of U.S. producers' sales volumes and profits, the decline of their capacity utilization, the increase of U.S. inventories and closures of U.S. production facilities. The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, lost sales, and pricing information. We have examined the accuracy and adequacy of the evidence provided in the petitions and have determined that the petitions allege the elements necessary for the imposition of a duty under section 731 of the Act and contain information reasonably available to the petitioners supporting the allegations (see *Initiation Checklists*, Injury Allegation section).

#### *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 the imposition of a duty under section 701(a), and (2) is accompanied by information reasonably available to the petitioners supporting the allegations.

#### *Period of Investigation*

The period of investigation ("POI") for which we are measuring subsidies is the calendar year 2000.

#### *Initiation of Countervailing Duty Investigations*

The Department has examined the countervailing duty petitions on certain cold-rolled carbon steel flat products from Argentina, Brazil, France, and the Republic of Korea 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 a countervailing duty investigation in each country to determine whether manufacturers, producers, or exporters of certain cold-rolled carbon steel flat products from Argentina, Brazil, France, and the Republic of Korea receive countervailable subsidies (see *Initiation Checklist* for each country).

#### *Argentina*

A. *General.* The petitioners argue that the Department's current formula for allocating non-recurring subsidies understates the time value of money, and thus undervalues every non-recurring subsidy. According to the petitioners, this undervaluing is biased in favor of the respondents, inconsistent with the statute and the Department's regulations, inconsistent with commercial reality, and inconsistent with other agency practices. In its place, the petitioners propose that the Department adopt a mid-year allocation methodology, which they claim would recognize that, on average, subsidies are received in the middle of the year (as under our current methodology).

In the past, we have considered and rejected the same argument advocated now by the petitioners that the Department's long-standing allocation formula should be replaced by a mid-year convention approach. See Preamble to the Department's CVD Regulations, 63 FR at 65399; 1989 Proposed Regulations, 54 FR 23366, 23375-76 (May 31, 1989); *Subsidies Appendix in Cold-Rolled Carbon Steel Flat-Rolled Products from Argentina: Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 49 FR 18006, 18018 (April 26, 1984); and *Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate from France*, 64 FR 73277, 73298 (December 29, 1999) ("*French Plate*"). As we have explained on several occasions, our current allocation formula, codified at 19 CFR 351.524(d)(1), has proven to be predictable and easy to administer. It has been implemented for almost twenty years without controversy in virtually every CVD proceeding, and its reasonableness has been upheld by the Court of International Trade in *Michelin Tire Corp. v. United States*, 6 CIT 320 (1983), *vacated on other grounds*, 9 CIT 38 (1985). Accordingly, for purposes of this initiation, we will continue applying our allocation formula as it stands in 19 CFR 351.524(d)(1). Consequently, with respect to Argentina, we will not examine any previously investigated subsidies



received prior to 1986, which have already been determined to have a fifteen-year average useful life ("AUL"), because these subsidies have already been fully allocated.

**B. Equityworthiness and Creditworthiness.** The petitioners allege that the principal producer/exporter of subject merchandise in Argentina is Siderar Sociedad Anonima Industrial Y Comercial ("Siderar"). According to the petitioners, prior to 1993, Siderar was known as Sociedad Mixta Siderugica Argentina ("SOMISA"), and briefly from 1992 to 1993, was known as Aceros Parana S.A. ("APSA").

The petitioners claim that the Department previously found SOMISA to be unequityworthy from 1984 through 1990 in *Cold-Rolled Carbon Steel Flat-Rolled Products From Argentina: Preliminary Results of Countervailing Duty Administrative Review*, 62 FR 38257, 38260 (July 17, 1997) ("1997 Cold-Rolled Prelim"). In addition, the petitioners allege that SOMISA was found uncreditworthy in 1992 in *Notice of Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products From Argentina*, 66 FR 10990, 10994 (February 21, 2001) ("Hot-Rolled Prelim"). The petitioners claim that, although the determination of uncreditworthiness in that case was based on adverse facts available, the Department's decision was nonetheless supported by sufficient facts presented in the petition in that case. In particular, the petitioners state that, in the two years prior to 1992, SOMISA's return on sales worsened from negative seventy-nine percent in 1991 to negative eighty-seven percent in 1992. Furthermore, according to the petitioners, SOMISA's operating margins were negative fifty-nine percent and negative eighty-one percent in 1991 and 1992, respectively, and that SOMISA's debt went from 388 million pesos in 1991 to 570 million pesos in 1992, while net worth fell from 717 million pesos to negative 913 million pesos in the same period. The petitioners note that, in the *Hot-Rolled Prelim*, we stated that SOMISA was (1) losing approximately 20 million dollars a month, (2) not a viable economic entity on its own, and (3) in a state of technical insolvency. 66 FR at 10994-95. Finally, the petitioners allege that SOMISA/APSA was unequityworthy in 1992. Citing to *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Argentina*, 66 FR 37007 (July 16, 2001) and accompanying *Issues*

and *Decision Memorandum*, at section on "Programs Determined to Confer Subsidies: Investment Commitment," the petitioners state that the Department implicitly found the company unequityworthy in a previous case because it countervailed "committed investments" as an equity infusion made in that year. In addition, the petitioners argue that, assuming the Department determines, as it did in the *Hot-Rolled Prelim*, to treat the "committed investments" as being received in 1993 and 1994, it should open an equityworthiness/creditworthiness investigation for these years, and allow parties to comment.

Unless a company provides new information to the contrary, once a determination of unequityworthiness has been made for certain years, the Department's practice is to continue to find that company unequityworthy for those same years in subsequent cases. See, e.g., *Final Affirmative Countervailing Duty Determination: Certain Steel Products from Brazil*, 58 FR 37295, 37297 (July 9, 1993) ("Brazil Certain Steel"). Based on our previous finding of unequityworthiness for SOMISA in 1997 *Cold-Rolled Prelim* from 1984 through 1990, we will consider this unequityworthiness in analyzing any equity infusions received in those years.

The examination of creditworthiness is an attempt to determine if the company in question could obtain long-term financing from conventional commercial sources. 19 CFR 351.505(a)(4). Regarding the uncreditworthiness allegation for 1992, the financial information submitted in the *Hot-Rolled Prelim*, and restated again here, suggests that SOMISA may have not been able to obtain such financing in 1992. Therefore, if we find that SOMISA received any non-recurring grants, loans, or loan guarantees in 1992, we will investigate its creditworthiness in that year.

In the case of a government equity infusion, the Department measures the benefit by examining the investment decision against the usual investment practice of a private investor. 19 CFR 351.507(a)(1). Specifically, the Department compares the purchase price paid by the government to prices paid for new shares by private investors, if such prices exist. 19 CFR 351.507(a)(2). If actual private investor prices are unavailable, the Department will determine the equityworthiness of a company at the time of the equity infusion. 19 CFR 351.507(a)(3). Regarding the unequityworthiness allegation for 1992, the determination that the committed investments were

countervailable in the *Hot-Rolled Prelim* was based on adverse facts available. However, in this investigation, based on the same information used to determine creditworthiness in 1992, we find that the petitioners provided sufficient information demonstrating that SOMISA may have been unequityworthy in 1992. Therefore, if we find that SOMISA received any equity infusions in 1992, we will examine its equityworthiness in that year.

Finally, regarding SOMISA's equityworthiness in 1993 and 1994, the petitioners have not provided any evidence that SOMISA may have been unequityworthy during that period. Absent such evidence, we will not examine SOMISA's equityworthiness during that period.

**C. Programs.** 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
2. Assumption of Debt and Liquidation Costs
3. Subsidies Under Decree 1144/92
4. "Committed Investment" Into APSA
5. Export Subsidies
6. Zero Tariff Turnkey Bill

#### Brazil

**A. General.** The petitioners argue that, as a result of cross-ownership between Usinas Siderurgicas de Minas Gerais ("USIMINAS") and Companhia Siderurgica Paulista ("COSIPA"), the Department should allocate subsidies received by both companies over the combined sales of both companies. In the course of this investigation, we will examine any cross-ownership between USIMINAS and COSIPA to determine how and whether to allocate subsidies among these companies.

**B. Equityworthiness and Creditworthiness.** The petitioners allege that there are three principal producers of subject merchandise in Brazil: Companhia Siderurgica Nacional ("CSN"), USIMINAS, and COSIPA.

Unless a company provides new information leading the Department to reconsider a previous finding of unequityworthiness or uncreditworthiness, once a determination of unequityworthiness or uncreditworthiness has been made for certain years, the Department's practice is to continue to find that company unequityworthy or uncreditworthy for those same years in subsequent cases. See, e.g., *Brazil Certain Steel*, 58 FR at 37297.

The petitioners claim that CSN, USIMINAS, and COSIPA were previously found unequityworthy in various years. Based on our previous determinations, we initially find the following: CSN to be unequityworthy from 1986 through 1992; USIMINAS to be unequityworthy from 1986 through 1988; and COSIPA to be unequityworthy from 1986 through 1989 and from 1992 through 1993. See *Final Affirmative Countervailing Duty Determinations: Certain Cold Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil*, 65 FR 5536, 5546 (February 4, 2000); *Brazil Affirmative Countervailing Duty Determination: Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products From Brazil*, 64 FR 38742, 38746 (July 19, 1999); and *Brazil Certain Steel*, 58 FR at 37297. Accordingly, we will take into account CSN's, USIMINAS's, and COSIPA's unequityworthiness if we determine that any of these companies received equity infusions in years in which they were determined to be unequityworthy.

The petitioners also state that CSN, USIMINAS, and COSIPA were previously found uncreditworthy in various years. Based on our previous determinations, we initially find the following: CSN to be uncreditworthy from 1986 through 1992; USIMINAS to be unequityworthy from 1986 through 1988; and COSIPA to be unequityworthy from 1986 through 1989 and from 1991 through 1993. See *id.* Accordingly, we will take into account CSN's, USIMINAS's, and COSIPA's uncreditworthiness if we determine that any of these companies received non-recurring grants, loans, or loan guarantees in years in which they were determined to be uncreditworthy.

C. *Programs.* 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 Brazil:

1. Equity Infusions into CSN, USIMINAS, and COSIPA
2. PROEX

We are not including in our investigation the following program alleged to benefit producers and exporters of the subject merchandise in Brazil:

1. Exemption of Exports from Taxes under the Social Integration Program ("PIS") and the Social Contribution of Billings ("COFINS")

In determining not to investigate this program, we stated the following in the *Notice of Initiation of Countervailing Duty Investigations: Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Trinidad and*

*Tobago, and Turkey*, 66 FR 49931, 49934 (October 1, 2001):

Within the context of a countervailing duty proceeding, taxes on revenues such as PIS and COFINS would generally be considered indirect taxes. (See 19 CFR 351.102(b) of the Department's regulations for the definition of an indirect tax.) In the case of these particular taxes, the Department's regulations at 19 CFR 351.517(a) state that a benefit exists to the extent that the amount remitted or exempted exceeds the amount levied. There is no information in this instance of any excessive remission.

Likewise, in this investigation, because we consider these taxes to be indirect and because there was no evidence of excessive remission presented in the petition, there is no basis to believe that a financial contribution was provided as required by section 771(5)(D) of the Act. Therefore, we will not investigate this allegation.

France

A. *General.* As they did with respect to Argentina, the petitioners propose that, in considering subsidies to France, the Department adopt a mid-year allocation methodology, which they claim would recognize that, on average, subsidies are received in the middle of the year, as opposed to the beginning of the year (as under our current methodology). For the reasons stated above, in the "General" section for Argentina, we will continue to allocate non-recurring subsidies according to 19 CFR 531.524(d). Consequently, with respect to France, we will not examine the previously investigated subsidies received prior to 1987 (*i.e.*, the "Write-Off of PACS" and "Shareholder Advances Up Through 1986" (*see* further discussion below)) which have already been determined to have a fourteen-year AUL, because these subsidies have already been fully allocated.

B. *Equityworthiness and Creditworthiness.* The petitioners allege that the principal producer/exporter of subject merchandise in France is Usinor.

The petitioners claim that Usinor was both unequityworthy and uncreditworthy up through 1988, consistent with our previous determination in *Final Affirmative Countervailing Duty Determinations: Certain Steel Products From France*, 58 FR 37304, 37305-06 (July 9, 1993) ("*French Certain Steel*").

In *French Certain Steel*, we found Usinor to be unequityworthy from 1986 through 1988. *Id.* at 37305 In the same determination, we found Usinor to be uncreditworthy from 1982 through

1988. *Id.* at 37306; *see also French Plate*, 64 FR at 73291 (Usinor was uncreditworthy from 1985 through 1988); and *Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils From France*, 64 FR 30774, 30779 (June 8, 1999) ("*French Stainless*") (Usinor was uncreditworthy from 1984 through 1988).

Unless a company provides new information leading the Department to reconsider a previous finding of unequityworthiness or uncreditworthiness, once a determination of unequityworthiness or uncreditworthiness has been made for certain years, the Department's practice is to continue to find that company unequityworthy or uncreditworthy for those same years in subsequent cases. *See, e.g., Brazil Certain Steel*, 58 FR at 37297. Based on our previous determinations of unequityworthiness in *French Plate*, *French Stainless*, and *French Certain Steel*, for those years in which we found Usinor to be unequityworthy and which remain relevant in this investigation (*i.e.*, from 1987 through 1988), we will consider its unequityworthiness if we find that any equity infusions were received during this period. Also, based on our previous determinations of uncreditworthiness, for those years in which we found Usinor to be uncreditworthy and which remain relevant in this investigation (*i.e.*, from 1987 through 1988), we will consider its uncreditworthiness if we find that any non-recurring subsidies, loans, or loan guarantees were received during this period.

C. *Programs.* 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 France (note: some of these programs have certain parts that we will not be investigating (*see Initiation Checklist* for France)):

1. FIS Bonds
2. Shareholder Advances After 1986
3. GOF Advances for SODIs
4. Investment/Operating Subsidies
5. Funding for Electric Arc Furnaces
6. Funding for Myosotis Project
7. Repayable Grant to Sollac for "Pre-Coating" Technology
8. Tax Subsidies Under Article 39
9. ESF Grants
10. ECSC Article 54 Loans
11. ECSC Article 56 Funding
12. ERDF Funding
13. Funding Under Resider and Resider II

In addition to those parts of the above programs we will not be investigating,

we are not including in our investigation the following programs alleged to benefit producers and exporters of the subject merchandise in France:

1. Write-Off of PACS. The petitioners allege that certain debts of Usinor were converted into loans with special characteristics, or "PACS." In 1986, these PACS were converted into common stock, effectively releasing Usinor of its repayment obligations under the PACS. Consistent with our previous findings in *French Plate*, 64 FR at 73281-82 and *French Stainless*, 64 FR at 63878-79, the petitioners claim that these conversions constitute countervailable equity infusions and request that the Department continue to countervail the subsidy.

We do not intend to investigate this allegation. Because we have rejected the use of the petitioners' proposed mid-year allocation methodology (see "General" section above), all benefits under this program have been fully amortized over the applicable AUL prior to the POI.

2. Shareholder Advances Up Through 1986. The petitioners claim that the GOF provided Usinor with grants in the form of shareholder advances in 1985 and 1986 to finance the revenue shortfall needs of both these companies. In 1986, the GOF converted these shareholder advances into common stock. However, no shares were ever received by the GOF with the conversion. According to the petitioners, the GOF provided roughly FF 20 billion to Usinor in the years 1982 through 1986 in the form of these shareholder advances. Consistent with our previous findings in *French Plate*, 64 FR at 73282 and *French Stainless*, 64 FR at 63879, the petitioners claim that these conversions constitute countervailable equity infusions and request that the Department continue to countervail the subsidy.

We do not intend to investigate this allegation. As discussed above, under "Write-Off of PACS," because we have rejected the use of the petitioners' proposed mid-year allocation methodology (see "General" section above), all benefits under this program have been fully amortized over the applicable AUL prior to the POI.

The Republic of Korea

A. *General*. As they did with respect to Argentina and France, the petitioners propose that, in considering subsidies to the Republic of Korea, the Department adopt a mid-year allocation methodology, which they claim would recognize that, on average, subsidies are received in the middle of the year, as

opposed to the beginning of the year (as under our current methodology). For the reasons stated above, in the "General" section for Argentina, we will continue to allocate non-recurring subsidies according to 19 CFR 531.524(d). Consequently, with respect to the Republic of Korea, we will not examine any previously investigated subsidies received prior to 1986, which have already been determined to have a fifteen-year AUL, because these subsidies have already been fully allocated.

B. *Programs*. 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 the Republic of Korea (note: some of these programs have certain parts that we will not be investigating (see *Initiation Checklist* for the Republic of Korea)):

1. Loans Inconsistent with Commercial Consideration (GOK Directed Credit Programs)
2. Government Infrastructure Assistance at Kwangyang Bay
3. Asan Bay Infrastructure Subsidies
4. Other Subsidies Related to Operations at Asan Bay
5. Reserve for Export Loss (TERCL Article 16)
6. Reserve for Overseas Market Development (TERCL Article 17)
7. Technical Development Fund (TERCL Article 8)
8. Short-term Export Financing
9. Investment Tax Credits (under various TERCL Articles)
10. Electricity Discounts
11. Asset Revaluation—TERCL Article 56(2)
12. Tax Exemption for Balanced Development (TERCL Article 43)
13. Research and Development Subsidies
14. Special Depreciation for Energy-Saving Equipment
15. Export Insurance
16. POSCO's Provision of Steel Inputs at Less-Than-Adequate Remuneration (Dual Pricing Scheme for Input Products)
17. Government Grants to Dongbu
18. Special Depreciation for Union
19. Export Industry Facility Loans

We are not including in our investigation the following programs alleged to benefit producers and exporters of the subject merchandise in the Republic of Korea:

1. Reduction of Import Duties on Steelmaking Equipment. The petitioners allege that the GOK subsidizes steelmakers by waiving or reducing the eight percent tariff on imports of

steelmaking equipment that cannot be purchased domestically. The petitioners provide a Korea Iron and Steel Report that shows that steel producers, including companies that produce cold-rolled steel, have benefitted from this program. The petitioners concede that the Department found these duty reductions not countervailable in *Final Affirmative Countervailing Duty Determination: Structural Steel Beams From the Republic of Korea*, 65 FR 41051 (July 3, 2000) ("*Structural Beams*") and in the *Remand Determination Pursuant to Bethlehem Steel Corp., v. United States*, Slip Op. 01-38, Court No.: 00-03-00116 (April 4, 2001) ("*Carbon Plate Remand*") because they were part of a broader program of duty reductions, but argue that a specificity analysis must be undertaken for cold-rolled producers, and the steel industry as a whole.

We are not investigating this allegation. The Department has examined this program in *Structural Beams* and found it not countervailable because the program did not meet any of the specificity criteria of section 771(5A) of the Act. This position was reaffirmed in the *Carbon Plate Remand*. The petitioners have provided no new information or evidence of changed circumstances to warrant a re-examination of this program.

2. Reduction of Import Duties on Hot-Rolled Steel. The petitioners allege that, in the *Final Affirmative Countervailing Duty Determination: Certain Cut-to-length Carbon-Quality Steel Plate from the Republic of Korea*, 64 FR 73176 (December 29, 1999) ("*Carbon Plate*"), it was discovered that the GOK subsidizes slab imports through a duty reduction program. Under the program, the petitioners assert that the GOK monitors the available supply of slabs and reduces the tariff rate on slabs when domestic supply contracts or when the domestic industry makes a request. The petitioners observe that, although the Department did not address this program in the *Carbon Plate* final determination, it did so in the *Carbon Plate Remand*, where it was found not countervailable. The petitioners allege that there is no indication that rigorous policing of the program's rules on physical incorporation and wastage takes place, and that any finding related to Korea's duty drawback system (which was investigated separately in *Carbon Plate*) would not apply to this distinct up-front duty exemption used by plate producers. The petitioners further allege that the Department must take the "time value of money" benefit associated with getting an up-front duty reduction into

account when determining the program benefit.

The petitioners further assert that the Department must examine whether cold-rolled steel producers benefitted from hot-rolled steel duty reductions in the POI, given that hot-rolled steel is the main input into cold-rolled steel. As support for their claims, the petitioners provide a Ministry of Commerce, Industry and Energy announcement of a reduced duty rate for slabs in the second half of 2000. Finally, the petitioners note that the Department found a similar program to be countervailable in the *Notice of Preliminary Affirmative Countervailing Duty Determination and Alignment With Final Antidumping Duty Determinations: Certain Hot-Rolled Carbon Steel Flat Products from Thailand*, 66 FR 20255 (April 20, 2001) ("*Thailand Prelim*"). Thus, the petitioners request that the Department initiate an investigation to examine the extent to which Korean cold-rolled steel producers may have benefitted from this program.

We are not investigating this allegation. As the petitioners note, the Department examined this program in *Carbon Plate Remand* and found it to be not countervailable because the slabs to which it applied were physically incorporated into exported products, and because producers would have been entitled to duty drawback even if the duties were not waived up front. We also found that the "time value of money" issue asserted by the petitioners does not meet the benefit criteria of section 771(5)(E) of the Act. Further, the Department's preliminary finding in *Thailand Prelim* provides no insight into the Korean program at issue here. The petitioners have provided no new information or evidence of changed circumstances relating to the benefit conferred by this program to warrant re-examination at this time.

3. R&D Aid for Anthracite Coal Technology & Related Price Stabilization Measures. The petitioners allege that the GOK subsidizes research related to technology permitting the use of sintered anthracite coal in steel production. The petitioners assert that POSCO has increased its use of anthracite coal as a result of this research and development assistance. The petitioners further allege that the GOK suppresses anthracite coal prices for users such as producers of subject merchandise through the Support Program for the Coal Industry, which was notified to the WTO in both 1997 and 1998. Petitioners also allege that the steel industry is the predominant user of anthracite coal, and thus the beneficiary of subsidized prices.

As the petitioners have provided no information on research and development subsidies linked to the production or use of anthracite coal, we are not initiating an investigation on research and development subsidies. We also are not initiating an investigation as to whether producers of subject merchandise benefit from subsidized coal prices. Because coal can be used as an input in the production of subject merchandise, petitioners must provide sufficient evidence supporting their claim of an upstream subsidy under section 771(A) of the Act. Additionally, the petitioners would have to meet the requirements outlined in 19 CFR 351.523(a) in order for the Department to initiate an investigation of an upstream subsidy.

#### *Distribution of Copies of the Petitions*

In accordance with section 702(b)(4)(A)(i) of the Act, a copy of the public version of the respective petitions has been provided to the GOA, GOB, GOF, GOK, and EC. We will attempt to provide a copy of the public version of the respective petitions to each exporter named in each petition, as provided for under 19 CFR 351.203(c)(2).

#### *ITC Notification*

We have notified the ITC of our initiations, as required by section 702(d) of the Act.

#### *Preliminary Determination by the ITC*

The ITC will determine, no later than November 13, 2001, whether there is a reasonable indication that imports of certain cold-rolled carbon steel flat products from Argentina, Brazil, France, and the Republic of Korea are causing material injury, or threatening to cause material injury, to an industry in the United States. A negative ITC determination for any country will result in the investigation being terminated for 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: October 18, 2001.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 01-26939 Filed 10-25-01; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-437-805]

#### Notice of Initiation of Countervailing Duty Investigation: Sulfanilic Acid From Hungary

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

**ACTION:** Initiation of countervailing duty investigation.

**SUMMARY:** The Department of Commerce is initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters of sulfanilic acid from Hungary receive countervailable subsidies.

**EFFECTIVE DATE:** October 26, 2001.

**FOR FURTHER INFORMATION CONTACT:** Melani Miller, AD/CVD Enforcement, Group I, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-0116.

#### **SUPPLEMENTARY INFORMATION:**

#### **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. In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department") regulations are references to the provisions codified at 19 CFR part 351 (April 2001).

#### **The Petition**

On September 28, 2001, the Department received a petition filed in proper form by Nation Ford Chemical Company ("the petitioner"). The Department received supplemental information to the petition on October 9 and 12, 2001.

In accordance with section 702(b)(1) of the Act, the petitioner alleges that manufacturers, producers, or exporters of sulfanilic acid, the subject merchandise, from Hungary receive countervailable subsidies within the meaning of section 701 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

The Department finds that the petitioner filed this petition on behalf of the domestic industry because it is an interested party as defined in section