

Background

On September 7, 2001, the Department of Commerce (the Department) published in the **Federal Register** (66 FR 46773) the preliminary results of the antidumping duty order on industrial nitrocellulose (INC) from France. The review covers one manufacturer/exporter, Bergerac, NC (BNC). The period of review (POR) is August 1, 1999, through July 31, 2000. The Department is conducting this administrative review in accordance with section 751 of the Act.

We invited interested parties to comment on our preliminary results. BNC submitted a case brief on September 24, 2001, and the petitioner submitted a rebuttal brief on September 28, 2001. On October 3, 2001, the parties requested to withdraw the case and rebuttal briefs, to which there was no objection from any other party. See the October 3, 2001, letter from respondent's counsel to the Secretary of Commerce. On October 5, 2001, we withdrew the case and rebuttal briefs from the record pursuant to the requests of the parties and destroyed them. See memorandum to file from J. David Dirstine dated October 5, 2001. We have not considered or relied upon any argument or information contained in the withdrawn case and rebuttal briefs in making this determination.

Scope of Order

The product covered by this order is INC containing between 10.8 and 12.2 percent nitrogen. INC is a dry, white amorphous synthetic chemical produced by the action of nitric acid on cellulose. The product comes in several viscosities and is used to form films in lacquers, coatings, furniture finishes and printing inks. Imports of this product are classified under the *Harmonized Tariff Schedule of the United States Annotated* (HTSUS) subheadings 3912.20.00 and 3912.90.00. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope of this proceeding remains dispositive.

Final Results of Review

We made no changes to our preliminary analysis for these final results. The final weighted-average dumping margin for BNC for the period August 1, 1999, through July 31, 2000, is 3.26 percent.

Assessment

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. We have calculated an importer-

specific ad valorem duty-assessment rate based on the ratio of the total amount of antidumping duties calculated for the examined sales made during the POR to the total customs entered value of the sales used to calculate these duties. We will direct the Customs Service to assess the resulting percentage margin for the reviewed sales uniformly on all entries of that particular importer during the POR as well as on those entries of subject merchandise for which we applied the special rule for merchandise with value added after importation under section 772(e) of the Act. See 19 CFR 351.212(a).

Cash-Deposit Requirements

The following deposit requirements will be effective upon publication of this notice of final results of administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Act: (1) The cash-deposit rate for BNC will be the rate shown above; (2) for previously reviewed or investigated companies not listed above, the cash-deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value investigation but the manufacturer is, the cash-deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash-deposit rate for all other manufacturers or exporters will 1.38 percent. This is the "All Others" rate from the less-than-fair-value investigation.

These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to

comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: October 18, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01-27057 Filed 10-25-01; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-437-804, A-471-806]

Notice of Initiation of Antidumping Duty Investigations: Sulfanilic Acid From Hungary and Portugal

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

ACTION: Initiation of antidumping duty investigations.

SUMMARY: The Department of Commerce is initiating antidumping duty investigations to determine whether producers or exporters of sulfanilic acid from Hungary and Portugal are selling sulfanilic acid to the United States at less than fair value.

EFFECTIVE DATE: October 26, 2001.

FOR FURTHER INFORMATION CONTACT: Jarrod Goldfeder at (202) 482-0189 or John Brinkmann at (202) 482-4126, 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 2001).

The Petitions

On September 28, 2001, the Department received petitions filed in proper form by Nation Ford Chemical Company ("the petitioner"). The Department received supplemental

information to the petitions on October 9 and 12, 2001.

In accordance with section 732(b)(1) of the Act, the petitioner alleges that imports of sulfanilic acid from Hungary and Portugal are, 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, or threatening material injury to, an industry in the United States.

The Department finds that the petitioner filed these petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support with respect to each of the antidumping investigations that it is requesting the Department to initiate. See *infra*, "Determination of Industry Support for the Petition."

Scope of Investigations

Imports covered by these investigations are all grades of sulfanilic acid, which include technical (or crude) sulfanilic acid, refined (or purified) sulfanilic acid and sodium salt of sulfanilic acid.

Sulfanilic acid is a synthetic organic chemical produced from the direct sulfonation of aniline and sulfuric acid. Sulfanilic acid is used as a raw material in the production of optical brighteners, food colors, specialty dyes and concrete additives. The principal differences between the grades are the undesirable quantities of residual aniline and alkali insoluble materials present in the sulfanilic acid. All grades are available as dry, free-flowing powders.

Technical sulfanilic acid, classifiable under the subheading 2921.42.22 of Harmonized Tariff Schedule ("HTS"), contains 96 percent minimum sulfanilic acid, 1.0 percent maximum aniline, and 1.0 percent maximum alkali insoluble materials. Refined sulfanilic acid, also classifiable under 2921.42.22 of the HTS, contains 98 percent minimum sulfanilic acid, 0.5 percent maximum aniline and 0.25 percent maximum alkali insoluble materials.

Sodium salt (sodium sulfanilate), classifiable under HTS subheading 2921.42.90, is a powder, granular or crystalline material which contains 75 percent minimum equivalent sulfanilic acid, 0.5 percent maximum aniline based on the equivalent sulfanilic acid content, and 0.25 percent maximum alkali insoluble materials based on the equivalent sulfanilic acid content.

Although the HTS subheadings are provided for convenience and customs purposes, the written description of the

scope of these investigations is dispositive.

This scope is identical to the scope of the antidumping duty order on Sulfanilic Acid from the People's Republic of China. See *Antidumping Duty Order: Sulfanilic Acid from the People's Republic of China*, 57 FR 37524 (August 19, 1992) (as currently reflected in *Sulfanilic Acid from the People's Republic of China; Preliminary Results and Preliminary Partial Rescission of Antidumping Duty Administrative Review*, 66 FR 47003 (September 10, 2001)). Nevertheless, during our review of the petition, we discussed the scope with the petitioner to ensure that it accurately reflects the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations (see *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 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 days of publication of this notice. Comments should be addressed to Import Administration's Central Records Unit ("CRU") 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 our preliminary determinations.

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 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.

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 Act directs the Department to look to producers and workers who account for production of 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 domestic like product, such differences do not render the decision of either agency contrary to the law. See *Algoma Steel Corp. Ltd., v. United States*, 688 F. Supp. 639, 642-44 (CIT 1988); *High Information Content Flat Panel Displays and Display Glass Therefore from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380-81 (July 16, 1991).

Section 771(10) of the Act defines the domestic like product as "a product that is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," *i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition.

The domestic like product referred to in the petition is the single domestic like product defined in the *Scope of Investigation* section above. The Department has no basis on the record to find this definition of the domestic like product to be inaccurate. The Department, therefore, has adopted this domestic like product definition.

The Department has determined that the petitions contain adequate evidence of industry support; therefore, polling is unnecessary. See *Initiation Checklist* for each country at Industry Support. Information on the record demonstrates that the producer who supports the petitions account for more than 50 percent of the production of the domestic like product. Additionally, no interested party pursuant to section 771(9)(A), (C), (D), (E) or (F) of the Act has expressed opposition on the record to the petition. Accordingly, the Department determines that these petitions are filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Initiation Standard for Cost Investigations

Pursuant to section 773(b) of the Act, the petitioner provided information demonstrating reasonable grounds to

believe or suspect that sales in the comparison markets for Hungary and Portugal were made at prices below the cost of production ("COP") and, accordingly, requested that the Department conduct country-wide sales-below-COP investigations in connection with these investigations. The Statement of Administrative Action ("SAA"), submitted to the Congress in connection with the interpretation and application of the URAA, states that an allegation of sales below COP need not be specific to individual exporters or producers. See H.R. Doc. No. 103-316, 103d Cong., 2d Sess. 833 (1994). The SAA, at 833, states that "Commerce will consider allegations of below-cost sales in the aggregate for a foreign country, just as Commerce currently considers allegations of sales at less than fair value on a country-wide basis for purposes of initiating an antidumping investigation."

Further, the SAA provides that new section 773(b)(2)(A) of the Act retains the requirement that the Department have "reasonable grounds to believe or suspect" that below-cost sales have occurred before initiating such an investigation. Reasonable grounds exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the comparison market in question are at below-cost prices. *Id.* We have analyzed the country-specific allegations as described below.

Export Price ("EP") and Normal Value ("NV")

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. A more detailed description of these allegations is provided in the *Initiation Checklist* for each country. 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, as appropriate.

Hungary

EP

The petitioner claims that one producer, Nitrokemia 2000 Co. ("Nitrokemia"), accounts for all of the sulfanilic acid production in Hungary and, accordingly, all of the sulfanilic acid products exported to the United States from Hungary. The petitioner provided pricing and cost information for this producer. According to the petitioner, Nitrokemia sells sulfanilic

acid directly to unaffiliated U.S. customers. For Nitrokemia, the petitioner based EP on the average U.S. Customs values classifiable under 2921.42.2200 of the HTS, as reported in the ITC's Dataweb (<http://dataweb.usitc.gov>), for the period of July 1, 2000 through June 30, 2001. The petitioner did not make any deductions to this FOB port of exportation price of sulfanilic acid. See *Hungary Initiation Checklist*.

NV

According to the petitioner, Nitrokemia has no home market for sulfanilic acid and, therefore, it was unable to obtain price information for sales in the home market. The Department confirmed with the U.S. Commercial Service in Budapest, Hungary ("Commercial Service Budapest") that there were no other producers of sulfanilic acid in Hungary, nor were there any known Hungarian industries which utilized commercial quantities of sulfanilic acid. See *Hungary Initiation Checklist*. Therefore, the petitioner turned to third-country sales for purposes of calculating NV. For a third-country market, the petitioner selected Germany because, based on the Hungarian export statistics, Germany is the largest export market for Nitrokemia. After examining this evidence, we found the petitioner's selection of Germany as the comparison market to be reasonable because it met the criteria for viable third-country sales pursuant to section 773(a)(1)(B)(ii) of the Act.

The petitioner used Hungarian export statistics to determine third-country prices in Germany. These export statistics pertained to a basket category, aniline derivatives, in which sulfanilic acid is included. The petitioner presented evidence that Nitrokemia is the only producer of aniline derivatives in Hungary and that this basket category provides the best approximation of Nitrokemia's sulfanilic acid exports. We confirmed with the Commercial Service Budapest that sulfanilic acid falls under the Hungarian basket category of HS #2921.42, aniline salts and derivatives, and that the volume and value of exports in the Hungarian export statistics are maintained on a DAF ("delivered to frontier") basis. Furthermore, from the description of this Hungarian basket category and discussions with the Commercial Service Budapest, we found that these products are comparable to the products exported to the United States which served as the basis for EP. The petitioner did not make any deductions to the comparison market price.

Price-to-CV Comparisons

The petitioner provided information demonstrating reasonable grounds to believe or suspect that sales of sulfanilic acid in the comparison market (Germany) were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation in this country. See section 773(b)(2)(A) of the Act.

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing ("COM"), selling, general, and administrative expenses, including financial expenses ("SG&A"), and packing. The petitioner calculated COM based on the petitioner's own factors of production to estimate the cost in Hungary. The petitioner valued raw materials (*i.e.*, natural gas, electricity, activated carbon, aniline, sulfuric acid, caustic soda, and hydrochloric acid) using Hungarian values obtained from a market research report prepared by the Commercial Service Budapest. The petitioner relied upon Nitrokemia's 2000 annual report to estimate labor cost as well as SG&A and financial expenses. The petitioner relied upon its own factory overhead percentage, claiming that Nitrokemia's annual report did not provide sufficient detail for this purpose.

Based upon the comparison of the prices of the foreign like product in the comparison market to the calculated COP of the product, 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, in the event that we determine that Germany is the appropriate market upon which to base NV, we will conduct a COP investigation.

Because the comparison-market price was below the COP, pursuant to sections 773(a)(4), 773(b), and 773(e) of the Act, the petitioner based NV for sales in the comparison market on CV. The petitioner calculated CV using the same COM, SG&A and financial expenses used to compute comparison market costs. Consistent with section 773(e)(2) of the Act, the petitioner included in CV an amount for profit. For profit, the petitioner relied upon its own financial experience inasmuch as Nitrokemia reported a negative profit for 2000. The petitioner did not make any other adjustments to CV for comparisons to EP.

Based upon the comparison of CV to EP, as adjusted by the Department (see *Hungary Initiation Checklist*), the

petitioner calculated estimated dumping margins ranging from 43.52 to 45.14 percent. See *Hungary Initiation Checklist*.

Portugal

EP

The petitioner claims that one producer, Quimigal S.A. ("Quimigal"), accounts for all of the sulfanilic acid production in Portugal and, accordingly, all of the sulfanilic acid products exported to the United States from Portugal. The petitioner provided pricing and cost information for this producer. According to the petitioner, Quimigal sells its product through an unaffiliated reseller in the United Kingdom ("UK") to unaffiliated U.S. customers. For Quimigal, the petitioner based EP on U.S. Customs values classifiable under 2921.42.2200 of the HTS, as reported in the ITC's Dataweb (<http://dataweb.usitc.gov>) for the period of July 1, 2000 through June 30, 2001. The petitioner adjusted this FOB port of exportation price by deducting an amount for gross profit realized on the transaction by the unaffiliated UK reseller. No further adjustments were made by the petitioner.

While the petitioner provided some support for this adjustment, we have adopted the more conservative approach of using Portuguese export statistics to measure EP. This approach should avoid any inflation of the U.S. prices as reported in U.S. import statistics due to the reseller's markup, without attempting to quantify the markup. See *Portugal Initiation Checklist* for a complete discussion of the changes we made to the EP. These export statistics pertained to a basket category, aniline derivatives, in which sulfanilic acid is included. The petitioner presented evidence that Quimigal is the only producer of aniline derivatives in Portugal and that this basket category provides the best approximation of Quimigal's sulfanilic acid exports. The Portuguese export statistics were already in U.S. dollars, so there was no need to perform any conversions.

NV

According to the petitioner, Quimigal has no home market for sulfanilic acid and, therefore, it was unable to obtain price information for sales in the home market. Therefore, the petitioner turned to third-country sales for purposes of calculating NV. For third-country markets, the petitioner selected Spain, the UK, and Pakistan. After examining the evidence, we find that the UK is the most reasonable comparison market because, based on the Portuguese export

statistics, the UK is the largest export market for Quimigal and because it meets the criteria for viable third-country sales pursuant to section 773(a)(1)(B)(ii) of the Act. See *Portugal Initiation Checklist*.

Price-to-CV Comparisons

According to the petitioner, the per-unit prices for the comparison market, calculated using Portuguese export statistics, are below Quimigal's estimated cost of production. Therefore, the petitioner requested that the Department conduct a country-wide sales-below-cost investigation in the comparison market. See section 773(b)(2)(A) of the Act.

Pursuant to section 773(b)(3) of the Act, COP consists of the COM, SG&A expenses (which include financial expenses), and packing. Because Quimigal also produces aniline, a major input in the production of sulfanilic acid, the petitioner included estimated costs for Quimigal's aniline production in its overall calculation of COP.

As an estimation of the cost of aniline production in Portugal, the petitioner calculated Quimigal's COM for aniline based on a Stanford Research Institute ("SRI") report¹ of the estimated cost of producing aniline in Germany. The petitioner valued raw materials using the same research report except in the case of benzene, where the petitioner used prices from the Weekly DeWitte Newsletter for Benzene and Derivatives, and in the case of nitric acid and hydrogen, where the petitioner used quotes taken from suppliers to a European producer of sulfanilic acid.

To calculate Quimigal's COM for sulfanilic acid, the petitioner used its own factors of production to estimate the cost in Portugal. The petitioner valued raw materials from various sources. Sulfuric acid and activated carbon were valued based on quotes and invoices obtained from the European producer. Labor, natural gas and electricity were valued based on Portuguese values obtained from market research performed by the U.S. Commercial Service in Lisbon, Portugal. The petitioner was unable to obtain Quimigal's financial statements for purposes of deriving factory overhead, SG&A, and interest expense. Consequently, the petitioner relied upon its own experience for SG&A and interest expense, while factory overhead was calculated using the SRI report, which we found resulted in a more conservative percentage than if the

petitioner had relied upon its own experience.

Based upon the comparison of the prices of the foreign like product in the comparison market to the calculated COP of the product, 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, in the event that we determine that the UK is the appropriate market upon which to base NV, we will conduct a COP investigation.

Because the comparison-market prices were below the COP, pursuant to sections 773(a)(4), 773(b), and 773(e) of the Act, the petitioner based NV for sales in the comparison market on CV. The petitioner calculated CV using the same COM, SG&A and financial expenses it used to compute comparison market costs. Consistent with section 773(e)(2) of the Act, the petitioner included in CV an amount for profit. For profit, the petitioner relied upon its own financial experience for the year for 2000 because it was unable to obtain Quimigal's financial statements. The petitioner did not make any other adjustments to CV for comparisons to EP.

Based upon the comparison of CV to EP, as adjusted by the Department, the estimated dumping margin is 91.82 percent.

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of sulfanilic acid from Hungary and Portugal 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 imports of the subject merchandise. The petitioner contends that the industry's injured condition is evident in the declining trends in employment, domestic prices, production, net sales volume and value, and inventory. 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 *Hungary Initiation Checklist* and *Portugal Initiation Checklist*).

¹This report is part of SRI's Process Economics Program. It was provided to NFC on a confidential basis.

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