

and therefore cannot be considered customers of the subject firm. In conclusion, the Department's further review of the customer list provided supports the initial decision.

The petitioner further stated that the respondents may not have had an understanding of what they were being asked in the survey and also may not have answered in a factual manner.

The survey the Department conducted was specific to the products produced by the subject plant, as reported by the company. The respondents in the survey were provided with a Department contact if they needed any further clarification. In respect to the respondents reported results, they are reviewed and accepted if they appear to be filled out correctly. If further clarification of the customer response is necessary, the customer is contacted.

Conclusion

After review of the application and investigative findings, I conclude that there has been no error or misinterpretation of the law or of the facts which would justify reconsideration of the Department of Labor's prior decisions. Accordingly, the application is denied.

Signed at Washington, DC, this 29th day of March, 2002.

Edward A. Tomchick,
Director, Division of Trade Adjustment Assistance.

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DEPARTMENT OF LABOR

Employment and Training Administration

[TA-W-39,162 and NAFTA-04822]

ME International, Inc., Duluth, MN; Notice of Negative Determination on Reconsideration

On February 12, 2002, the Department issued an Affirmative Determination Regarding Application for Reconsideration for the workers and former workers of the subject firm. The notice was published in the **Federal Register** on March 8, 2002 (67 FR 10765).

The Department initially denied TAA to workers of ME International, Inc., Duluth, Minnesota because criteria (1) and (3) were not met. A significant number or proportion of the workers did not become totally or partially separated from employment as required for certification. The "contributed importantly" group eligibility

requirement of section 222(3) of the Trade Act of 1974, as amended, was not met. Imports did not contribute importantly to the worker separations.

The Department denied NAFTA-TAA because criteria (1), (3) or (4) have not been met. A significant number or proportion of the workers did not become totally or partially separated from employment as required for certification. Imports from Canada or Mexico did not contribute importantly to workers' separations. There was no shift in production from the subject firm to Canada or Mexico during the relevant period.

The workers at the subject firm were engaged in employment related to the production of mining wear parts (such as mill linings).

The petitioner alleges the workers were impacted by increased imports from Canada that are like or directly competitive with what the subject plant produced. The petitioner also states that employment declines occurred at the subject plant during the relevant period meeting the requirements of criterion (1).

The Department of Labor concurs with the petitioners' allegation that employment declines occurred at the subject plant.

On reconsideration, the Department contacted the company for a list of major declining customers of the subject plant and further requested a detailed explanation of the reasons for the declines in sales, production and employment at the subject firm.

The U.S. Department of Labor conducted a survey of the declining customer(s) of the subject firm regarding their purchases of mill linings during the relevant period. The survey revealed that a customer increased their imports of mill linings from Canada, while decreasing their purchases from the subject firm during the relevant period. However, the reduced purchases from the subject firm are relatively small in relation to the sales declines at the subject plant, thus the imports did not contribute importantly to the declines at the subject plant. A major customer, LTV Steel, was not surveyed due to bankruptcy in December 2000. They were a major customer of the subject firm.

The company indicated that the Duluth facility experienced a small decline in sales dollars related to lower prices. The overwhelming majority of those declines was attributed to price concessions given to customers as a direct result of competing with a Canadian company. Price, however, is not a factor relevant to the TAA or

NAFTA-TAA investigations that were filed on behalf of workers producing mining wear parts. Any potential lost business due to imports was considered as described in the survey results.

The company provided additional information concerning sales, production and employment declines at the subject plant.

The company indicated that nearly half of the sales declines are the direct result of a shift in subject plant production to Tempe, Arizona. That coupled with softening of Original Equipment Manufacturers (OEM) markets and mining closures and curtailments further contributed to the declines at the subject plant. The combination of these factors account for nearly all the sales and production declines at the subject firm.

The company further indicated that sometime during the third quarter of 2000 it implemented manufacturing efficiencies. These improved manufacturing efficiencies led to a corresponding reduction in the manufacturing work force at the Duluth facility during the relevant period.

Therefore, based on the information as indicated above, imports of products like or directly competitive with what the subject plant produced did not contribute importantly to the declines at the subject firm. Also, the subject plant did not shift any plant production to Canada or Mexico during the relevant period.

The preponderance in the declines in employment at the subject firm is the direct result of a shift in production to another domestic location, softening of OEM markets and mining closures and curtailments and improved manufacturing efficiencies at the subject plant.

Conclusion

After reconsideration, I affirm the original notice of negative determinations regarding eligibility to apply for worker adjustment assistance and NAFTA—Transitional Adjustment Assistance for workers and former workers of ME International, Inc., Duluth, Minnesota.

Signed at Washington, DC, this 25th day of March 2002.

Edward A. Tomchick,
Director, Division of Trade Adjustment Assistance.

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