

produce an article within the meaning of Section 222(3) of the Act.

The NAFTA-TAA petition, filed on behalf of workers engaged in customer service activities for a firm which replicated VHS video, was denied because the petitioning workers did not produce an article within the meaning of Section 250(a) of the Trade Act, as amended.

The petitioner alleges that the Allied Vaughn, Clinton, Tennessee workers were engaged in activities related to the replication of VHS video cassettes.

Upon examination of the application and information provided in the initial investigation, the Department of Labor concurs with the petitioners' allegation that the workers were engaged in activities related to the replicating of VHS videos.

The petitioner further alleges that the subject plant workers should be tied to another group of workers who were certified under TA-W-39,344 and NAFTA-TAA-4913. Those workers were engaged in the replication of compact discs at the same location under the company name AmericDisc, Inc. This allegation is based on the fact that workers of Allied Vaughn commingled various administrative and other non-manufacturing functions at the Clinton facility.

Prior to December 2000, the two product lines were under the control of Allied Digital Technologies, Clinton, Tennessee. Allied Digital Technologies then sold each product line to a different company. The compact disc line was purchased by AmericDisc, Inc. and the VHS cassette line went to Allied Vaughn, a.k.a. Willette Acquisition Corporation. However, although the companies now owned separate product lines, they agreed to continue to share non-manufacturing workers as a cost saving measure.

Since the workers of Allied Vaughn were engaged exclusively in the replication of VHS cassettes, the import data of compact discs used to certify workers at AmericDisc, Inc. cannot be used in this investigation.

The major contributing factor leading to the layoffs at the subject plant was completely unrelated to imports of replicated VHS cassettes. The sole catalyst concerned the transfer of AmericDisc, Inc. operations to Canada. This led Allied Vaughn to close the facility, as it was no longer efficient for their needs, effectively causing the subject plant to shift their production domestically.

Finally, since the companies are not legally affiliated, the subject firm cannot be tied to the AmericDisc, Inc. TAA and/or NAFTA certifications.

## 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 19th 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-39,977, and NAFTA-05262]

#### Lamtech, LLC, Hartsville, TN; Notice of Negative Determination Regarding Application for Reconsideration

By application of January 21, 2002, the petitioner requested administrative reconsideration of the Department's negative determination regarding eligibility for workers and former workers of the subject firm to apply for Trade Adjustment Assistance (TAA) under petition TA-W-39,977 and North American Free Trade Agreement—Transitional Adjustment Assistance (NAFTA-TAA) under petition NAFTA-5262. The TAA and NAFTA-TAA denial notices applicable to workers of Lamtech, LLC, Hartsville, Tennessee, were signed on December 11, 2001 and published in the **Federal Register** on December 26, 2001 (66 FR 66426 & 66427, respectively).

Pursuant to 29 CFR 90.18(c) reconsideration may be granted under the following circumstances:

- (1) If it appears on the basis of facts not previously considered that the determination complained of was erroneous;
- (2) if it appears that the determination complained of was based on a mistake in the determination of facts not previously considered; or
- (3) if in the opinion of the Certifying Officer, a misinterpretation of facts or of the law justified reconsideration of the decision.

The TAA petition, filed on behalf of workers at Lamtech, LLC, Hartsville, Tennessee engaged in employment related to the production of sew stands and sew tops, was denied because the "contributed importantly" group eligibility requirement of section 222(3)

of the Trade Act of 1974, as amended, was not met. The "contributed importantly" test is generally demonstrated through a survey of the workers' firm's customers. The survey revealed that none of the respondents increased their imports of products like or directly competitive with what the subject plant produced during the relevant period. The subject firm did not import sew stands and sew tops.

The NAFTA-TAA petition for the same worker group was denied because criteria (3) and (4) of the group eligibility requirements in paragraph (a) (1) of Section 250 of the Trade Act, as amended, were not met. The survey revealed that none of the respondents increased their imports of products like or directly competitive with what the subject plant produced from Canada or Mexico during the relevant period. The subject firm did not import (including Canada or Mexico) products like or directly competitive with what the subject plant produced, nor was the subject plant's production shifted from the workers' firm to Mexico or Canada.

The petitioner alleges that their major customers purchased imported products like or directly competitive with what the subject firm produced from foreign sources, specifically Mexico and Central America. The petitioner further states that some of their customers are purchasing products from other domestic sources that are importing.

The Department, as already indicated, examines the impact of imports (including Canada and Mexico) by a survey of the subject firm's major declining customers to examine if the "contributed importantly" test is met. The survey conducted during the initial investigation revealed that none of the respondents increased their imports (including Canada or Mexico), while decreasing their purchases from the subject firm during the relevant period.

The petitioner further attached a list of major declining customers with corresponding allegations concerning their customer purchases from foreign sources.

A review of the customer list revealed that some of the major customers were located in foreign countries. Also, some of the domestic customers on the list were surveyed during the initial investigation, the respondents as already indicated, did not increase their imports of products like or directly competitive with what the subject firm produced. A further review of the list in combination with the survey results and data supplied by the company further shows that some of the customers did not purchase any products from the subject firm during the relevant period

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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