

Dated: August 23, 2002.

**Faryar Shirzad,**  
Assistant Secretary for Import  
Administration.

## Appendix I

### List of Comments and Issues in the Decision Memorandum

*Comment 1:* Change-in-Ownership Methodology

*Comment 2:* Change-in-Ownership Same Person Analysis

*Comment 3:* Sale of Iron and Steel Company of Trinidad and Tobago's ("ISCOTT") Assets at Fair Market Value in an Arm's-Length Transaction

*Comment 4:* ISCOTT Debt Forgiveness

*Comment 5:* Equity Infusions into ISCOTT

*Comment 6:* Provision of Electricity

*Comment 7:* Petitioners' New Subsidy Allegation

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-122-841]

### Final Affirmative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Canada

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

**ACTION:** Notice of final affirmative countervailing duty determination.

**SUMMARY:** The Department of Commerce has made a final determination that countervailable subsidies are being provided to certain producers and exporters of carbon and certain alloy steel wire rod from Canada. For information on the estimated countervailing duty rates, please see the "Suspension of Liquidation" section, below.

**EFFECTIVE DATE:** August 30, 2002.

#### FOR FURTHER INFORMATION CONTACT:

Craig Matney, Audrey Twyman, or Stephen Cho, Office of AD/CVD Enforcement Group 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-1778, (202) 482-3534, or (202) 482-3798, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to

the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 ("the Act"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department") regulations are to 19 CFR Part 351 (April 2001).

#### Petitioners

The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, "petitioners").

#### Case History

The following events have occurred since the publication of the preliminary determination in the **Federal Register**.

*See Preliminary Affirmative*

*Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Canada*, 67 FR 5984 (February 8, 2002) ("Preliminary Determination").

On February 26, 2002, the petitioners submitted further comments with respect to the responses filed by the Government of Canada ("GOC"), the Government of Quebec ("GOQ"), Ispat Sidbec, Inc. ("Ispat Sidbec"), Ivaco, Inc. ("Ivaco"), and Stelco, Inc. ("Stelco") (collectively, "respondents"). The Department issued supplemental questionnaires to these respondents on March 1, 2002, and received responses to those questionnaires on March 15 and 18, 2002.

On March 19, 2002, we published a **Federal Register** notice aligning the final determination in this proceeding with the earliest final determination in the companion antidumping duty investigations. *See Countervailing Duty Investigations of Carbon and Certain Alloy Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Turkey: Notice of Alignment With Final Antidumping Duty Determinations*, 67 FR 12524, (March 19, 2002).

Between April 22, 2002, and May 14, 2002, we conducted verifications of the questionnaire responses submitted by the GOQ, Ispat Sidbec, Stelco and Ivaco.

On July 8 and 12, 2002, we received case briefs and rebuttal briefs, respectively, from GOQ, Ispat Sidbec, Stelco and the petitioners.

#### Period of Investigation

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

#### Scope of Investigation

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel,

in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the *Harmonized Tariff Schedule of the United States* ("HTSUS") definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. Grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

Grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1)

0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

#### Scope Comments

On April 2, 2002, in conjunction with the preliminary determinations in the companion antidumping duty proceedings, the scope in both the companion countervailing duty and antidumping duty proceedings was revised. *See Memorandum to Faryar Shirzad, dated April 2, 2002, "Carbon and Certain Alloy Steel Wire Rod: Requests for exclusion of various tire cord quality wire rod and tire bead*

*quality wire rod products from the scope of Antidumping Duty (Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations,"* which is on file in the Department's Central Records Unit in Room B-099 of the main Department building ("CRU").

Since April 2, 2002, a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, petitioners filed objections to a range of scope exclusion requests including: i) Bluff City Steel's request for clean precision bar; ii) Lincoln Electric Company's request for EW 2512 grade wire rod; iii) Ispat Germany's request for "super clean valve spring wire;" iv) Tokusen USA's January 22, 2002, request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.<sup>1</sup>

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. *See Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova,*

<sup>1</sup>On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in the CRU.

#### Injury Test

Because Canada is a "Subsidies Agreement country" within the meaning of section 701(b) of the Act, the International Trade Commission ("ITC") is required to determine whether imports of the subject merchandise from Canada materially injure, or threaten material injury to, a U.S. industry. On October 15, 2001, the ITC transmitted to the Department its preliminary determination that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports from Canada of the subject merchandise. *See Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela*, 66 FR 54539 (October 29, 2001).

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum" from Richard W. Moreland, Deputy Assistant Secretary, Import Administration to Faryar Shirzad, Assistant Secretary, Import Administration, dated August 23, 2002 ("Decision Memorandum"), which is hereby adopted by this notice. Attached to this notice as Appendix I is a list of the issues which parties have raised and to which we have responded in the Decision Memorandum. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the CRU. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Internet at <http://ia.ita.doc.gov/frn/> under the heading "Canada." The paper copy and electronic version of the *Decision Memorandum* are identical in content.

#### Suspension of Liquidation

As a result of our *Preliminary Determination*, we instructed the Customs Service to suspend liquidation of all entries of carbon and certain alloy steel wire rod from Canada, except for subject merchandise produced and exported by Stelco and Ivaco (both of which had either a zero or de minimis weighted-average margin), which were entered or withdrawn from warehouse,

for consumption on or after February 8, 2002, the date of the publication of the *Preliminary Determination* in the **Federal Register**. In accordance with section 703(d) of the Act, we instructed Customs to discontinue the suspension of liquidation for countervailing duty purposes for merchandise entered on or after June 8, 2002, but to continue the suspension of liquidation of entries made between February 8, 2002, and June 7, 2002.

We have calculated an individual net subsidy rate for each manufacturer of the subject merchandise pursuant to section 705(c)(1)(B)(i) of the Act. In accordance with sections 777A(e)(2) and 705(c)(5)(A) of the Act, we have set the "all others" rate as Ispat Sidbec's rate, because the rates for all other investigated companies are either zero or *de minimis*. We determine the total estimated net subsidy rate for each company to be:

	Net Subsidy Rate
Ispat Sidbec .....	6.61
Stelco .....	0.00
Ivaco .....	0.00
All Others .....	6.61

We will issue a countervailing duty order and reinstate the suspension of liquidation (except for imports from Stelco and Ivaco, which have either a zero or *de minimis* rate) if the ITC issues a final affirmative injury determination and we will instruct Customs to require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

#### ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an Administrative Protective Order ("APO"), without the written consent of the Assistant Secretary for Import Administration.

#### Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: August 23, 2002.

**Faryar Shirzad,**  
Assistant Secretary for Import Administration

#### Appendix I

##### List of Comments and Issues in the Decision Memorandum

Comment 1: Post-Privatization Treatment of Ispat Sidbec's Pre-Privatization Subsidies  
 Comment 2: Application of the Department's Change-in-Ownership Methodology  
 Comment 3: Equityworthiness and Creditworthiness  
 Comment 4: Countervailability of 1988 Debt-to-Equity Conversion and 1986-1992 Grants  
 Comment 5: 1986-1992 Grants  
 Comment 6: Project Bessemer  
 Comment 7: Ispat Sidbec's Freight Revenue  
 Comment 8: Ispat Sidbec's AUL  
 Comment 9: Ispat Inland's Sales  
 Comment 10: Deitcher Brothers Sales  
 Comment 11: Calculation of Deposit Rate  
 Comment 12: Stelco's Energy Efficiency and Conservation Programs  
 Comment 13: New Subsidy Allegations [FR Doc. 02-22244 Filed 8-29-02; 8:45 am]  
 BILLING CODE 3510-DS-S

#### DEPARTMENT OF COMMERCE

##### International Trade Administration [C-489-809]

##### Final Negative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Turkey

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

**ACTION:** Notice of final negative countervailing duty determination.

**SUMMARY:** The Department of Commerce has made a final determination that countervailable subsidies are not being provided to producers and exporters of carbon and certain alloy steel wire rod from Turkey.

**EFFECTIVE DATE:** August 30, 2002.

#### FOR FURTHER INFORMATION CONTACT:

Jennifer D. Jones, S. Anthony Grasso, or Andrew Smith, Office of Antidumping/Countervailing Duty Enforcement, Group 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-1664, (202) 482-3853, or (202) 482-1276, respectively.

#### SUPPLEMENTARY INFORMATION:

##### The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 ("the Act"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department's") regulations are to 19 CFR Part 351 (April 2001).

#### Petitioners

The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, "petitioners").

#### Case History

The following events have occurred since the publication of the *Preliminary Determination* in the **Federal Register**. See *Preliminary Negative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Turkey*, 67 FR 5976 (February 8, 2002) ("Preliminary Determination").

On February 12, 2002 and February 21, 2002, the petitioners submitted further comments with respect to the *Preliminary Determination*. The Department issued a third supplemental questionnaire to the Government of the Republic of Turkey ("GRT"), Colakoglu Metalurji, A.S. ("Colakoglu"), and Habas Sinai ve Tibbi Gazlar Istimlas Endustrisi, A.S. ("Habas") on February 14, 2002, and received responses to those questionnaires on March 4, 2002.

From March 11, 2002 to March 22, 2002, we conducted a verification of the questionnaire responses submitted by the GRT, Colakoglu, and Habas.

On March 19, 2002, we published a **Federal Register** notice aligning the final determination in this proceeding with the earliest final determination in the companion antidumping duty investigations. See *Countervailing Duty Investigations of Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey: Notice of Alignment With Final Antidumping*