DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–829, A–533–814, A–588–844, A–580–830, A–469–808, A–583–829]

Initiation of Antidumping Duty Investigations: Stainless Steel Round Wire from Canada, India, Japan, the Republic of Korea, Spain, and Taiwan

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

EFFECTIVE DATE: May 12, 1998.

FOR FURTHER INFORMATION CONTACT: Thomas Schauer (Canada) at (202) 482–4852; Diane Krawczun (India) at (202) 482–0198; Edward Easton (Japan) at (202) 482–1777; Gabriel Adler (the Republic of Korea) at (202) 482–1442; Michael Panfeld (Spain) at (202) 482–0168; or Michelle Frederick (Taiwan) at (202) 482–0186, Import Administration-Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., 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's regulations are to the regulations published in the **Federal Register** on May 19, 1997 (62 FR 27296).

The Petition

On March 27, 1998, the Department of Commerce (''the Department'') received a petition filed in proper form by the following companies: ACS Industries, Inc., Al Tech Specialty Steel Corp., Branford Wire & Manufacturing Company, Carpenter Technology Corp., Handy & Harman Specialty Wire Group, Industrial Alloys, Inc., Loos & Company, Inc., Sandvik Steel Company, Sumiden Wire Products Corporation, and Techalloy Company, Inc. (''the petitioners''). Sumiden Wire Products Corporation is not a petitioner in the Japanese case, and Carpenter Technology Corp. and Techalloy Company, Inc., are not petitioners in the Canadian case. The Department received numerous supplemental submissions throughout the month of April, 1998.

In accordance with section 732(b) of the Act, the petitioners allege that imports of stainless steel round wire (''SSRW'') from Canada, India, Japan, the Republic of Korea (Korea), Spain, and Taiwan are being, 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 petitioners filed the petition on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) and (D) of the Act and they have demonstrated sufficient industry support (*see* discussion below).

Scope of Investigations

For purposes of these investigations, the product covered is stainless steel round wire. Stainless steel round wire is any cold-formed (*i.e.*, cold-drawn, cold-rolled) stainless steel product, of a cylindrical contour, sold in coils or spools, and not over 0.703 inch (18 mm) in maximum solid cross-sectional dimension. SSRW is made of iron-based alloys containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Metallic coatings, such as nickel and copper coatings, may be applied.

The merchandise subject to these investigations is classifiable under subheadings 7223.00.1015, 7223.00.1030, 7223.00.1045, 7223.00.1060, and 7223.00.1075 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

During our review of the petition, we discussed with the petitioners whether the proposed scope was an accurate reflection of the product for which the domestic industry is seeking relief. The petitioners indicated that the scope in the petition accurately reflected the product for which they are seeking relief. Consistent with the preamble to the new regulations (62 FR at 27323), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments by 20 days after the publication of this notice. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, Pennsylvania Avenue and 14th Street, N.W., Washington, D.C. 20230. This period of scope consultation is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

Determination of Industry Support for the Petition

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 statute 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 are required to apply the same statutory provision 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 law.[1] Section 771(10) of the Act defines 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 petition. The domestic like product referred to in the petition is the single domestic like product defined in the ''Scope of Investigation'' section, above. We

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

consulted with the ITC, the U.S. Customs Service, and petitioners and have, as a result of these discussions, adopted the domestic like product definition set forth in the petition.

On April 8, 1998, the ITC presented us with information indicating that there may be as many as 25 additional producers of the domestic like product that were not included in the petition. On April 9, 1998, Central Wire Industries Ltd. and Greening Donald Co., Ltd., two Canadian producers of subject merchandise, submitted a list of 47 non-petitioning companies that they claimed represented U.S. producers of the domestic like product. *See* Letter from Central Wire Industries Ltd. and Greening Donald Co., Ltd. to the Secretary of Commerce dated April 9, 1998 (the Central Wire submission). Certain of these companies were included in the list of non-petitioning producers in the petition, but a majority were not. Because there was a question as to whether petitioners' met the statutory requirements cited above, we exercised our statutory discretion under section 732(c)(1)(B) to extend the deadline for determining whether to initiate an investigation to a maximum of 40 days from the date of filing in order to resolve this issue. *See* Memorandum to Joseph A. Spetrini from Laurie Parkhill dated April 16, 1998. We also invited parties to identify any other potential producers of the domestic like product.

On April 21, 1998, the petitioners provided production information concerning 42 of the then 64 nonpetitioning companies that had been identified as potential producers by the ITC, the Central Wire submission, or by the petitioners themselves at that time. *See* Letter from the petitioners to the Secretary of Commerce, April 21, 1998. The sources of this production information are affidavits from co-counsel for the petitioners, stating that they have contacted each of the 42 producers and have received the production information directly from the companies. The petitioners also included affidavits from co-counsel for the petitioners, as well as one of the petitioning company officials, indicating that certain nonpetitioning companies support the petition.

On April 21, 1998, Central Wire submitted a list of all U.S. producers (including the petitioners) that it believed produced the domestic like product. *See* Letter from Central Wire Industries Ltd. and Greening Donald Co., Ltd. to the Secretary of Commerce, April 21, 1998. While most of these potential producers had already been identified, there were several potential producers who had not been previously identified, and thus were not included in the list of 64 companies provided in the petitioners' April 21, 1998 letter.

We were able to contact all but one of the companies identified, and based on the data now on the record, we determine that the petitioners have established industry support in accordance with the statutory requirements cited above. *See* Memorandum from Laurie Parkhill and Gary Taverman to Richard W. Moreland dated May 6, 1998. Accordingly, we determine that the petition is filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Export Price and Normal Value

The following are descriptions of the allegations of sales at less than fair value upon which our decisions to initiate these investigations are based. Should the need arise to use any of this information in our preliminary or final determinations for purposes of facts available under section 776 of the Act, we may re-examine the information and revise the margin calculations, if appropriate.

With respect to sales to the U.S. market, the petitioners used an export price (EP) analysis because the producers in each country make their first sale of exports to unaffiliated importers. The petitioners based export prices on affidavits based on call reports and price quotes, as appropriate. The petitioners calculated EP by subtracting domestic inland freight (except in the India and Taiwan cases), ocean freight and marine insurance (except in the Canada case), import duties (except in the India case), harbor maintenance fees, U.S. merchandise processing fees, and U.S. inland freight (except in the Canada and India cases). The data for these adjustments was based on market research, U.S. Customs statistics, affidavits, and the 1997 import duty rates. The petitioners did not deduct domestic inland freight in the Indian case because they were not able to obtain such data. Although the petitioners did not explain why they did not deduct domestic inland freight in the Taiwan case, we note that this will not cause the dumping margins to be overstated. All adjustments not mentioned above that were not made by the petitioners in specific cases were due to the terms of the sales. We restated some of the export prices in the India case to conform with the affidavits the petitioners submitted. *See* Memorandum to File dated April 16, 1998.

The petitioners based normal value (NV) on home market prices, as obtained by market research. They adjusted the home market prices by deducting foreign inland freight (except in the India case due to the terms of sale) and imputed credit, and by adding the imputed credit calculated on the U.S. sale (except in the India case). Though the petitioners did not adjust for imputed credit in the India case, we were able to calculate an imputed credit expense for that case and did deduct it from NV. *See* Memorandum to File dated April 16, 1998. The data for the adjustments the petitioners made to NV were based on market research and International Financial Statistics (published by the International Monetary Fund). The petitioners submitted affidavits to support their claims regarding packing costs in the U.S. and Japanese markets. However, there was no adjustment for packing in other cases, either because information was not available for a country or because the petitioners assumed that packing costs were the same for sales to the home market and the U.S. market. There is no public evidence available to adjust NV for the differences in packing costs between the U.S. and home markets. Furthermore, our experience in steel cases generally suggests that the packing costs of export sales are nearly always greater than or equal to the packing costs of domestic sales, because additional precautions are usually necessary to protect exported merchandise (for example, from rust) during its longer time in transit. Therefore, we conclude that not adjusting for differences in packing costs is conservative.

Pursuant to sections 773(a)(4) and 773(e) of the Act, the petitioners also based NV for sales in all countries, except Japan, on constructed value (CV). CV consists of COM, selling, general and administrative expenses (SG&A), packing and profit. The petitioners based their calculations for COM, SG&A and packing on costs obtained by market research, affidavits from the petitioning companies' officials, and U.S. industry data compiled by the petitioners. We recalculated the CVs used in the Canada, India, and Taiwan cases. The nature of the recalculations and the reasons for the recalculations are explained in Memoranda to File dated April 16, 1998.

Based on comparisons of EP to NV, the petitioners estimate margins of 2.18 to 64.24 percent in the Taiwan case. We recalculated the estimated margins to be 2.38 to 40.48 percent in the Canada case, 3.47 to 36.52 percent in the India case, 2.02 to 29.58 percent in the Japan

case, 3.46 to 66.44 percent in the Korea case, and 12.99 to 35.80 percent in the Spain case.

Initiation of Cost Investigations

Pursuant to section 773(b) of the Act, the petitioners alleged that sales in the home market of Canada, India, Korea, and Taiwan were made at prices below the cost of production (COP) and, accordingly, requested that the Department conduct a country-wide sales-below-COP investigation in Canada, India, Korea, and Taiwan. The Statement of Administrative Action (''SAA''), submitted to Congress in connection with the interpretation and application of the Uruguay Round Agreements, states that an allegation of sales below COP need not be specific to individual exporters or producers. SAA, H.R. Doc. No. 316, 103d Cong., 2d Sess., at 833 (1994). The SAA states at 833 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.''

The statute at section 773(b) states that the Department must 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 foreign market in question are at below-cost prices. Based upon the comparison of the adjusted prices from the petition of the foreign like product in Canada, India, Korea, and Taiwan to the COP calculated in the petition (and adjusted in the Canada, India, and Taiwan cases as described in Memoranda to File dated April 16, 1998), we find ''reasonable grounds to believe or suspect'' that sales of these foreign like products were made below their respective COP within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating the requested country-wide cost investigation for Canada, India, Korea, and Taiwan.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of SSRW from Canada, India, Japan, Korea, Spain, and Taiwan are being, or are likely to be, sold at less than fair value.

Allegations and Evidence of Material Injury and Causation

The petition alleges that the U.S. industry producing the domestic like product is being materially injured, and is threatened with material injury, by reason of the individual and cumulated imports of the subject merchandise sold at less than NV. The allegations of injury and causation are supported by relevant evidence including business proprietary data from the petitioning firms and U.S. Customs import data. The Department assessed the allegations and supporting evidence regarding material injury and causation and determined that these allegations are sufficiently supported by accurate and adequate evidence and meet the statutory requirements for initiation.

Initiation of Antidumping Investigations

We have examined the petition on SSRW and have found that it meets the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of SSRW from Canada, India, Japan, Korea, Spain, and Taiwan are being, or are likely to be, sold in the United States at less than fair value. Unless extended, we will make our preliminary determinations for the antidumping duty investigations by September 23, 1998.

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 petition has been provided to the representatives of the governments of Canada, India, Japan, Korea, Spain, and Taiwan. We will attempt to provide a copy of the public version of each petition to each exporter named in the petition (as appropriate).

International Trade Commission 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 by June 1, 1998, whether there is a reasonable indication that imports of SSRW from Canada, India, Japan, Korea, Spain, and Taiwan are causing material injury, or threatening to cause material injury, to a U.S. industry. Negative ITC determinations will result in the particular investigations being terminated; otherwise, the investigations will proceed according to statutory and regulatory time limits.

Dated: May 6, 1998.

Richard W. Moreland,

Acting Assistant Secretary, Import Administration.

[FR Doc. 98–12593 Filed 5–11–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

University of Wisconsin-Madison; Notice of Decision on Application for Duty-Free Entry of Scientific Instrument

This decision is made pursuant to Section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89–651, 80 Stat. 897; 15 CFR part 301). Related records can be viewed between 8:30 A.M. and 5:00 P.M. in Room 4211, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C.

Docket Number: 97–106. *Applicant:* University of Wisconsin-Madison, Madison, WI 53706–1490. *Instrument:* Length Controller and Force Transducer System, Models 308B and 403A. *Manufacturer:* Aurora Scientific, Canada. *Intended Use:* See notice at 63 FR 5504, February 3, 1998.

Comments: None received. *Decision:* Approved. No instrument of equivalent scientific value to the foreign instrument, for such purposes as it is intended to be used, is being manufactured in the United States. *Reasons:* The foreign instrument provides measurement of the contractile force of muscle cells by mechanically deforming the length of the muscle fiber. The National Institutes of Health advised April 27, 1998 that (1) this capability is pertinent to the applicant's intended purpose and (2) it knows of no domestic instrument or apparatus of equivalent scientific value to the foreign instrument for the applicant's intended use.

We know of no other instrument or apparatus of equivalent scientific value to the foreign instrument which is being manufactured in the United States.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 98–12445 Filed 5–11–98; 8:45 am]

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DEPARTMENT OF COMMERCE

Submission for OMB Review; Comment Request

The Department of Commerce (DOC) has submitted to the Office of