

will be held on May 17, 2000, in accordance with 19 CFR 351.310(d). Interested parties may submit case briefs no later than May 8, 2000, in accordance with 19 CFR 351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than May 15, 2000. The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such comments, no later than July 27, 2000.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: March 20, 2000.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-859, A-557-810, A-533-819, A-549-816]

### Initiation of Antidumping Duty Investigations: Steel Wire Rope From India, Malaysia, the People's Republic of China, and Thailand

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

**EFFECTIVE DATE:** March 27, 2000.

#### FOR FURTHER INFORMATION CONTACT:

Abdelali Elouaradia or Gabriel Adler at (202) 482-0498 and (202) 482-1442, respectively; 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's regulations are references to the provisions codified at 19 CFR part 351 (1999).

#### *The Petitions*

On March 1, 2000, the Department of Commerce (the Department) received petitions filed in proper form by the Committee of Domestic Steel Wire Rope and Speciality Cable Manufacturers (the

petitioner). The Department received information supplementing the petitions throughout the initiation period.

In accordance with section 732(b) of the Act, the petitioner alleges that imports of steel wire rope from India, Malaysia, the People's Republic of China (China), and Thailand 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 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 sections 771(9)(C) and (D) of the Act and has demonstrated sufficient industry support with respect to each of the antidumping investigations that it is requesting the Department to initiate (*see Determination of Industry Support for the Petitions* below).

#### *Scope of Investigations*

For purposes of these investigations, the product covered is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or carbon or stainless steel, other than stranded wire, not fitted with fittings or made up into articles, and not made up of brass-plated wire. Imports of these products are currently classifiable under subheadings: 7312.10.6030, 7312.10.6060, 7312.10.9030, 7312.10.9060, and 7312.10.9090 of the Harmonized Tariff Schedule of the United States (HTSUS). Although HTSUS subheadings are provided for convenience and Customs Service purposes, the written description of the scope of this investigation is dispositive.

During our review of the petitions, 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 (62 FR 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 April 7, 2000. Comments should be addressed to Import Administration's Central Records Unit 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 the 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 statute directs the Department to look to producers and workers who produce 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 like product, such differences do not render the decision of either agency contrary to the law.<sup>1</sup>

Section 771(10) of the Act defines the 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 subtitle." 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 petitions is the single domestic like product defined in the "Scope of Investigations" section, above. No party has commented on the petitioner's definition of domestic like product, and there is nothing on the record to

<sup>1</sup> 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 from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380-81 (July 16, 1991).

indicate that this definition is inaccurate. The Department, therefore, has adopted the domestic like product definition set forth in the petitions.

Moreover, the Department has determined that the petitions contain adequate evidence of industry support; therefore, polling is unnecessary (see *Initiation Checklist*, dated March 16, 2000 (*Initiation Checklist*), at Attachment Re: Industry Support). For all four countries covered by the petitions, the petitioner established industry support representing over 50 percent of total production of the domestic like product. 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.

#### *Export Price and Normal Value*

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. The petitioner, in determining normal value (NV) for India, Malaysia and Thailand, relied upon price data contained in confidential market research reports filed with the Department. At the Department's request, the petitioner arranged for the Department to contact the author of the reports to verify the accuracy of the data, the methodology used to collect the data, and the credentials of those gathering the market research. The Department's discussions with the author of the market research reports are summarized in the *Initiation Checklist*. The sources of data for the deductions and adjustments relating to home market price, U.S. price, and factors of production are also discussed in the *Initiation Checklist*. 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, if appropriate.

#### **China**

##### *Export Price*

The petitioner identified Fasten Bloc Company (Fasten), Jiangying Wire Rope Plant, Qingdao Steel Wire Rope Plant, Tianjin Wire Rope Factory, Ningxia Shizuishan Steel Plant, Liaoning Metals & Minerals Import and Export Corp., Guizhou Steel Union Metal Limited, Anshan Iron and Steel Company, Wuxi Steel Wire Rope Factory and Sichuan Steel Wire Rope Plant as the major producers and exporters of subject merchandise in China.

The petitioner determined export price (EP) using two different methods. It first calculated EP based on the import average unit value (AUV) for the ten-digit category of the HTSUS (*i.e.*, 7132.10.9030) accounting for the largest volume of in-scope imports from China in 1999. For this HTSUS subheading, the petitioner calculated the AUV using the reported quantity and customs value for imports as recorded in the U.S. Bureau of the Census' IM-146 import statistics for the month of December 1999. The petitioner made a deduction for estimated inland freight charges incurred in moving the subject merchandise from the Chinese plant to the closest port of export.

Second, the petitioner based EP on contemporaneous offers for sale made by Fasten to a U.S. unaffiliated purchaser for seven specific wire rope products, provided through an affidavit. This information was obtained from industry sources in the United States. The petitioner calculated a net U.S. price for each sale by subtracting, where appropriate, estimated international freight and insurance, foreign inland freight, U.S. customs duties, and merchandise processing and harbor maintenance fees.

##### *Normal Value*

The petitioner asserts that the Department considers China to be a non-market economy country (NME), and constructed NV based on the factors of production (FOP) methodology pursuant to section 773(c) of the Act. In previous cases, the Department has determined that China is an NME. See, *e.g.*, *Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, From the People's Republic of China*, 64 FR 5770, 5773 (February 5, 1999). In accordance with section 771(18)(C)(i) of the Act, the NME status remains in effect until revoked by the Department. The NME status of China has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product appropriately is based on FOP valued in a surrogate market economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of China's NME status and the granting of separate rates to individual exporters.

For the NV calculation, the petitioner based the FOP, as defined by section 773(c)(3) of the Act (raw materials, labor, and energy), for steel wire rope on the quantities of inputs used by petitioning companies. The petitioner

asserted that detailed information was not available regarding the quantities of inputs used by steel wire rope producers in China. It assumed, for purposes of the petition, that the main producer in China (Fasten) uses the same inputs in the same quantities as the petitioner's most similar plant based on plant facilities and equipment. Based on the information provided by the petitioner, we believe that the adjusted FOP represent information reasonably available to the petitioner and is appropriate for purposes of initiation of this investigation.

In accordance with section 773(c)(4) of the Act, the petitioner valued FOP, where possible, on reasonably available, public surrogate country data. Citing past Department practice, the petitioner used India as the surrogate country. Input and packing materials were valued based on India's import values, as published in the *Monthly Statistics of the Foreign Trade of India*. Labor was valued using the regression-based wage rate for China, in accordance with 19 CFR 351.408(c)(3). Electricity was valued using the rate for India published in the International Energy Agency's *Energy Prices and Taxes Quarterly Statistics*. The petitioner conservatively did not include a value for natural gas. For overhead, SG&A and profit, the petitioner applied rates derived from the public annual report of an Indian producer of subject merchandise, Tata Iron and Steel Company.

Based on comparisons of EP to NV, calculated in accordance with section 773(c) of the Act, the estimated dumping margins for steel wire rope from China range from 5 percent to 58 percent.

#### **India**

##### *Export Price*

The petitioner used two different methods to determine EP for India. First, the petitioner submitted an Indian producer's offer for sale of two specific wire rope products in the United States. The petitioner calculated an ex-factory U.S. price for each sale by subtracting from each price quote, where appropriate, movement related charges, specifically foreign inland freight, international freight and insurance, U.S. import duties, merchandise processing fees, and harbor maintenance fees.

Second, the petitioner calculated EP using AUV data for the following HTSUS: 7312.10.9090 and 7312.10.9060. The petitioner calculated the AUV using the reported quantity and customs value for imports as recorded in the U.S. Bureau of the

Census' IM-146 import statistics for the month of December 1999. Deductions were made for foreign inland freight charges incurred in moving the subject merchandise from the plant in India to the closest port of export.

#### *Normal Value*

The petitioner identified Usha Martin Industries Limited, Mohatta & Heckel Ltd., Bombay Wire Ropes Limited, Bharat Wire Ropes Ltd., Asahi Steel Industries Ltd., Wellworth Wire Ropes Pvt. Ltd., and Davangere Wire Rope Industry Pvt. Ltd. as the producers accounting for almost all steel wire rope production in India. NV was based on actual price quotes from several Indian manufacturers to a customer in India for specific wire rope products. This information was obtained principally through the foreign market researcher. The price quotes are provided on an ex-factory basis, exclusive of all taxes. The petitioner subtracted estimated foreign packing costs and added estimated U.S. packing costs to the price quotes.

Based on comparisons of EP to NV, calculated in accordance with section 773(a) of the Act, the estimated dumping margins for steel wire rope from India range from 59 percent to 142 percent.

#### **Malaysia**

##### *Export Price*

The petitioner based export price on AUV data, using the reported quantity and customs value for imports as recorded in the U.S. Bureau of the Census' IM-146 import statistics for the following ten-digit categories of the HTSUS: 7312.10.9030, 7312.10.9060 and 7312.10.9090. The petitioner used the AUV data from the month of December 1999. The petitioner conservatively did not make any deductions for movement expenses.

##### *Normal Value*

The petitioner identified KISWIRE SDN. BHD (KISWIRE), Southern Wire Industries SDN. BHD. (Southern Wire) and Berjaya Kawat Manufacturing SDN. BHD. as the producers accounting for almost all steel wire rope production in Malaysia. NV is based on Malaysian home market price quotes. The foreign market researcher obtained prices offered by Malaysian distributors to unrelated customers. Since the price quotes came from distributors, the petitioner made a deduction for the estimated distributors' mark-up. Additionally, the petitioner subtracted estimated home market packing expenses and added estimated U.S. packing expenses to calculate net price.

Based on comparisons of EP to NV, calculated in accordance with section 773(a) of the Act, the estimated dumping margins for steel wire rope from Malaysia range from 11 percent to 63 percent.

#### **Thailand**

##### *Export Price*

The petitioner based export price on AUV data, using the reported quantity and customs value for imports as recorded in the U.S. Bureau of the Census' IM-146 import statistics for the following ten-digit categories of the HTSUS: 7312.10.9030 and 7312.10.9060. The petitioner used the information from the month of December 1999. The petitioner conservatively did not make any deductions for movement expenses.

##### *Normal Value*

The petitioner identified Usha Siam Steel Industries Public Co., Ltd. (Usha Siam); Lee Thai Mui 1991 Co., Ltd. (Lee Thai Mui); Jinyang Wire Rope (Thailand) Co., Ltd.; Thai Steel Cable Co., Ltd.; Thai Wire Products Pcl, and Steel Processing (Thailand) Co., Ltd. as the producers which account for almost all steel wire rope production in Thailand. The foreign market researcher obtained five prices quotes for sale offers to unrelated customers in Thailand. The petitioner calculated net prices for sales in Thailand by subtracting estimated home market packing expenses and adding estimated U.S. packing expenses.

Based on comparisons of EP to NV, calculated in accordance with section 773(a) of the Act, the estimated dumping margins for steel wire rope from Thailand range from 49 percent to 69 percent.

##### *Fair Value Comparisons*

Based on the data provided by the petitioner, there is reason to believe that imports of steel wire rope from China, India, Malaysia and Thailand 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 individual and cumulated imports of the subject merchandise sold at less than NV. The petitioner contends that the industry's injured condition is evident in the declining trends in net operating profits, net sales volumes, profit to sales ratios, and capacity utilization. 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 Initiation Checklist* at Attachment Re: Material Injury).

##### *Initiation of Antidumping Investigations*

Based upon our examination of the petitions on steel wire rope, we have found that the petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of steel wire rope from China, India, Malaysia and Thailand are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended, 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 petition has been provided to the representatives of China, India, Malaysia and Thailand. 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, no later than April 17, 2000, whether there is a reasonable indication that imports of certain steel wire rope products from China, India, Malaysia and Thailand 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 published pursuant to section 777(i) of the Act.

Dated: March 17, 2000.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

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