

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-831]

Notice of Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Affirmative Preliminary Determination of Critical Circumstances in Part: Prestressed Concrete Steel Wire Strand From Mexico

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

ACTION: Notice of preliminary determination of sales at less than fair value, postponement of final determination, and affirmative preliminary determination of critical circumstances in part.

EFFECTIVE DATE: July 17, 2003.

FOR FURTHER INFORMATION CONTACT: James Kemp or Daniel O'Brien at (202) 482-5346 or (202) 482-1376, respectively; AD/CVD Enforcement Group II Office 5, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Preliminary Determination

We preliminarily determine that prestressed concrete steel wire strand (PC strand) from Mexico is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The preliminary margin assigned to Cablesa, S.A. de C.V (Cablesa) is based on adverse facts available (AFA). The estimated margins of sales at LTFV are shown in the *Suspension of Liquidation* section of this notice. In addition, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to PC strand produced and exported by Cablesa.

Interested parties are invited to comment on this preliminary determination. We will make our final determination not later than 135 days after the date of publication of this preliminary determination in the **Federal Register**.

Case History

This investigation was initiated on February 20, 2003.¹ See *Notice of Initiation of Antidumping Duty Investigations: Prestressed Concrete Steel Wire Strand from Brazil, India, the Republic of Korea, Mexico, and Thailand*, 68 FR 9050 (February 27, 2003) (*Initiation Notice*). Since the initiation of the investigation, the following events have occurred:

The Department of Commerce (the Department) set aside a period for all interested parties to raise issues regarding product coverage. See *Initiation Notice*, 68 FR at 9050. Aceros Camesa S.A. de C.V. (Camesa) and Cablesa submitted comments on product coverage on March 19, 2003. The petitioners rebutted these comments on March 28, 2003. See *Class or Kind* below.

The Department issued a letter on March 7, 2003, to interested parties in all of the concurrent PC strand antidumping investigations, providing an opportunity to comment on the Department's proposed model match characteristics and its hierarchy of characteristics. The petitioners submitted comments on March 18 and 20, 2003. The Department also received comments on model matching from Camesa and Cablesa on March 18, 2003. These comments were taken into consideration by the Department in developing the model matching characteristics and hierarchy for all of the PC strand antidumping investigations.

On March 17, 2003, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of the products subject to this investigation are materially injuring an industry in the United States producing the domestic like product. See *Prestressed Concrete Steel Wire Strand From Brazil, India, Korea, Mexico, and Thailand*, 68 FR 13952 (March 21, 2003) (*ITC Preliminary Determination*).

On April 4, 2003, the Department issued its antidumping questionnaire to Camesa and Cablesa, specifying that the responses to Section A and Sections B-D would be due on April 25, and May 12, 2003, respectively.² We received

¹ The petitioners in this investigation are American Spring Wire Corp., Insteel Wire Products Company, and Sumiden Wire Products Corp.

² Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales, or, if the home market is not viable, of sales in the most appropriate third-country

responses to Sections A-D of the antidumping questionnaire and issued supplementary questionnaires where appropriate.³

On June 17, 2003, the petitioners alleged that critical circumstances exist with respect to imports of PC strand from Mexico. Accordingly, pursuant to section 732(e) of the Act, on June 18, 2003, the Department requested information from Camesa and Cablesa regarding monthly shipments of PC strand to the United States during the period January 2000 to July 2003. We subsequently shortened this reporting period by one year. The respondents submitted the requested information on June 25, 2003. The critical circumstances analysis for the preliminary determination is discussed below under *Critical Circumstances*.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise. In accordance with 19 CFR 351.210(e)(2), the Department requires that exporters requesting postponement of the final determination must also request an extension of the provisional measures referred to in section 733(d) of the Act from a four-month period until not more than six months. We received a request to postpone the final determination from both Camesa and Cablesa. In their requests, Camesa and Cablesa consented to the extension of provisional measures to no longer than six months. Since this preliminary determination is affirmative, the requests for postponement are made by exporters that account for a significant proportion of exports of the subject merchandise, and there is no compelling reason to deny the respondents' requests, we have extended the deadline for issuance of the final determination until the 135th day after the date of publication of this preliminary determination in the **Federal Register** and have extended provisional measures to no longer than six months.

market (this section is not applicable to respondents in non-market economy cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production of the foreign like product and the constructed value of the merchandise under investigation. Section E requests information on further manufacturing.

³ See, also, *Facts Available* section of this notice.

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. Where it is not practicable to examine all known producer/exporters of subject merchandise, section 777A(c)(2) of the Act permits the Department to investigate either: (1) A sample of exporters, producers, or types of products that is statistically valid, based on the information available at the time of selection; or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonably be examined. In the petition, the petitioners identified seven producers of PC strand in Mexico. On April 3, 2003, counsel for Camesa and Cablesa indicated that, to the best of their knowledge, those two firms were the only Mexican producers of PC strand that exported to the United States during the period of investigation (POI).⁴ The U.S. embassy in Mexico City provided information that corroborates this claim. Additionally, in an April 2, 2003, submission, Camesa and Cablesa provided the Department with their U.S. export quantities of subject merchandise during the POI. Based on the imported quantities reported by the U.S. Bureau of Customs and Border Protection (CBP), we are satisfied that the record supports the conclusion that Camesa and Cablesa are the only Mexican producers that exported the subject merchandise to the United States. See Memorandum from Daniel O'Brien, International Trade Compliance Analyst, to Gary Taverman, Director, Office 5, Re: Selection of Respondents, dated April 4, 2003.

Period of Investigation

The POI is January 1, 2002, through December 31, 2002. This period corresponds to the four most recent fiscal quarters prior to the month of filing of the petition (*i.e.*, January, 2003) involving imports from a market economy, and is in accordance with our regulations. See 19 CFR 351.204(b)(1).

Scope of Investigation

For purposes of this investigation, PC strand is steel strand produced from wire of non-stainless, non-galvanized steel, which is suitable for use in prestressed concrete (both pretensioned and post-tensioned) applications. The product definition encompasses covered

and uncovered strand and all types, grades, and diameters of PC strand.

The merchandise under investigation is currently classifiable under subheadings 7312.10.3010 and 7312.10.3012 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.

Class or Kind

On March 19, 2003, the respondents in this investigation requested that the Department exclude covered PC strand⁵ from the scope of this investigation. In the same letter, the respondents requested that in the event that the Department does not exclude covered PC strand from the scope, the Department determine that there are two separate classes or kinds of merchandise subject to investigation: (1) Uncovered PC strand used for pre-tensioning applications and (2) covered PC strand used for post-tensioning applications. The petitioners submitted a rebuttal to the respondents requests on March 28, 2003. We have preliminarily determined that the scope of this investigation properly includes covered PC strand. Additionally, we have preliminarily determined that covered and uncovered PC strand constitute one class or kind of merchandise.

Although the Department has the authority to define the scope of an investigation, that authority cannot be used to deprive the petitioner of relief with respect to products the petitioner clearly and explicitly intended to be included in the investigation, unless the resulting order would thereby become unadministrable. Therefore, without the petitioner's consent, the Department has rarely used its authority to narrow the scope of an investigation. See Memorandum from Jim Kemp and Salim Bhabhrawala, Import Compliance Specialists, to Holly Kuga, Acting Deputy Assistant Secretary for Group II, Re: Consideration of Scope Exclusion Request and Class or Kind Determination, dated July 10, 2003 (Scope Exclusion Request and Class or Kind Determination).

The Mexican respondents argue that covered PC strand should be excluded because the petitioners do not manufacture the product. However, the statute does not require that the petitioners have to produce every type of product that is encompassed by the scope of the investigation. See *Notice of*

Final Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products From Japan, 65 FR 42985 (July 12, 2000).

The Department has the authority to narrow the scope of an investigation, but rarely does so except in cases where the petitioner makes such a request or the scope as worded creates ambiguities and administrability problems. In this case, the petitioners' requested scope specifically states that covered PC strand should be included in the investigation. Given the clarity of the petitioners' request to include covered PC strand within the scope and the apparent absence of any difficulties in its inclusion, we find no reason to exclude covered PC strand from the scope of this investigation.

We have also preliminarily determined that there is only one class or kind of merchandise for PC strand. Our determination is based on an evaluation of the criteria set forth in *Diversified Products v. United States*, 572 F. Supp. 883, 889 (CIT 1983) (*Diversified Products*), which look to differences in: (1) The general physical characteristics of the merchandise; (2) the expectations of the ultimate purchaser; (3) the ultimate use of the merchandise; (4) the channels of trade in which the merchandise moves, and; (5) the manner in which the product is advertised or displayed.

In our analysis of the *Diversified Products* criteria, we find that the physical similarities of covered and uncovered PC strand are much greater than the slight change created by the application of grease and plastic coating. The defining characteristic of these products continues to be the strand and covering the merchandise does not change the strand or its chemical or physical properties. Additionally, the expectations of the user and the use of the products is generally the same. It appears to be common practice in the industry for end-users to purchase uncovered PC strand and add covering for post-tension applications, creating the same end-use expectations for both products. Furthermore, the use of the product is essentially the same for post and pre-tensioning applications. Covered and uncovered PC strand is a product used in construction designed to "introduce specified compressive forces into concrete to offset, or neutralize, forces that occur when the prestressed concrete is subject to load." *ITC Preliminary Determination*, 68 FR at 19652; see also Investigations Nos. 701-TA-432 and 731-TA-1024-1028 (Preliminary), USITC Pub. 3589, (March 2003) at 9. Therefore, whether the

⁴ See Memorandum from Daniel O'Brien, International Trade Compliance Analyst, to the File, Re: Telephone Call with Counsel for Mexican Producers Aceros Camesa and Cablesa Regarding Investigation of Prestressed Concrete Steel Wire Strand from Mexico, dated April 3, 2003.

⁵ Covered PC strand is usually coated with grease and encased in plastic covering.

product is covered or not does not change the ultimate use; only the process employed to apply the PC strand differs between the two products. With regard to channels of trade, we have concluded that end-use customers purchase both types of PC strand and there is no clear division in channels of trade between uncovered and covered PC strand. Finally, we note that no information was placed on the record regarding the advertising or display of uncovered or covered PC strand.

Therefore, we find that uncovered and covered PC strand constitute the same class or kind of merchandise. For a further discussion on this topic, *see* Scope Exclusion Request and Class or Kind Determination.

Facts Available

For the reasons discussed below, we determine that the use of AFA is appropriate for the preliminary determination with respect to Cablesa.

A. Use of Facts Available

Section 776(a)(2) of the Act provides that, if an interested party withholds information requested by the Department, fails to provide such information by the deadline or in the form or manner requested, significantly impedes a proceeding, or provides information which cannot be verified, the Department shall use, subject to section 782(d) and (e) of the Act, facts otherwise available in reaching the applicable determination. Section 782(d) of the Act provides that if the Department determines that a response to a request for information does not comply with the Department's request, the Department shall promptly inform the responding party and provide an opportunity to remedy the deficient submission. Section 782(e) of the Act further states that the Department shall not decline to consider submitted information if all of the following requirements are met: (1) The information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

In accordance with section 776 of the Act, for the reasons explained below, we preliminarily determine that the use of total AFA is warranted with respect to Cablesa. The Department received Cablesa's incomplete response to section D of the antidumping duty questionnaire on May 28, 2003. In that

response, Cablesa failed to respond to section III (Response Methodology) of the questionnaire. Instead, Cablesa stated that it was working diligently to complete its response to that section and that it would submit its response as soon as possible.

Section III of the section D questionnaire instructs the respondent to fully explain its cost response methodology, provide reconciliations of the cost of sales from its financial statements to the reported costs, provide detailed cost build-ups for two models sold in the home and U.S. markets, provide a worksheet showing the computation of the general and administrative (G&A) expenses rate, and provide a worksheet showing the computation of the net financial expense rate. After receiving a telephone call from Department officials, on June 5, 2003, Cablesa responded to the missing items in part. *See* Memorandum from Salim Bhabhrawala, International Trade Compliance Analyst, to the File, Re: Missing Portions of Cablesa's Section D Response, dated June 9, 2003. On June 11, 2003, the Department issued Cablesa a supplemental section D questionnaire requesting that it provide additional information or clarification on several issues, as well as the missing items from the prior cost response. The response to this supplemental questionnaire was due on June 25, 2003. On June 13, 2003 Cablesa requested an extension until July 2, 2003. The Department granted an extension until June 30, 2003. Cablesa again submitted a wholly inadequate response to the supplemental section D questionnaire. The deficiencies are detailed below.

Throughout the course of this investigation, Cablesa has repeatedly failed to submit information and data on the record of this proceeding in the proper manner as established in the Department's regulations. The Department, on numerous occasions, provided Cablesa detailed information on how to properly submit the information and data, granted Cablesa extensions to reply to requests for information, and provided Cablesa an opportunity to explain and correct the deficiencies in its responses. However, at no point in the investigation did Cablesa notify the Department that it had any difficulties in submitting the information. Instead, Cablesa stated that it was working diligently to complete its responses.

Because of the deficiencies in Cablesa's initial, subsequent and supplemental section D responses, the Department finds that the cost information on the record is so

incomplete that it cannot serve as a reliable basis for reaching a determination. Specifically, Cablesa failed to provide: (1) A reconciliation of the cost of sales in their financial statements to the reported costs; (2) detailed cost build-ups for the requested models sold in the home and U.S. markets; (3) worksheets showing the weight-averaging of the costs for the models produced at more than one production facility; (4) an explanation of its cost accounting system and how costs were allocated between subject and non-subject merchandise; (5) an explanation of its cost response methodology; (6) an explanation as to whether the reported costs were based on world-wide production quantities and not on any specific market; (7) a reconciliation of the production quantities to the sales quantities; (8) audited consolidated financial statements together with independent auditors report and footnotes; (9) audited unconsolidated financial statements together with independent auditors report and footnotes; (10) the summary trial balance from which the unconsolidated financial statements were prepared; (11) treatment of depreciation expense related to idle assets; (12) an explanation of capitalizing the G&A expenses in their normal books and records; and (13) the requested G&A expenses rate calculation.

Cablesa failed to provide adequate responses to the Department's requests for cost information. Despite the Department's attempts to obtain the missing information, pursuant to section 782(d) of the Act, Cablesa failed to rectify its deficiencies. Because the information that Cablesa failed to report is critical for purposes of the preliminary dumping calculations, the Department must resort to facts otherwise available in reaching its preliminary determination, pursuant to sections 776(a)(2)(A), (C), and (D) of the Act.

On July 10, 2003, the Department issued its final supplemental questionnaire to Cablesa addressing the deficiencies, as detailed above, in the company's cost response. Cablesa's response to our request for information is due on July 17, 2003.

Furthermore, our review of Cablesa's U.S. sales response has led us to conclude that the reported sales may be inappropriate as the basis for CEP. The Department's original questionnaire specifically instructed Cablesa to identify any parties with which it is affiliated, including affiliations based on control. The questionnaire defines situations which may indicate control to

include close relationship with a supplier, (sub) contractor, lender, distributor, exporter or reseller. Evidence currently on the record suggests that Cablesa may be affiliated with its sole U.S. customer, thereby necessitating that Cablesa provide the downstream sales of that customer. We intend to pursue this issue further.

B. Application of Adverse Inferences for Facts Available

In applying facts otherwise available, section 776(b) of the Act provides that the Department may use an inference adverse to the interests of a party that has failed to cooperate by not acting to the best of its ability to comply with the Department's requests for information. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794–96 (August 30, 2002). Adverse inferences are appropriate “to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.” *See* Statement of Administrative Action accompanying the Uruguay Round Agreements Act, H.R. Rep. No. 103–316, at 870 (1994) (SAA). Furthermore, “{a}ffirmative evidence of bad faith on the part of a respondent is not required before the Department may make an adverse inference.” *See Antidumping Countervailing Duties: Final Rule*, 62 FR 27296, 27340 (May 19, 1997).

We find that the application of an adverse inference in this case is appropriate. Cablesa failed to provide critical data regarding its costs. Despite the Department's instructions in the original and supplemental questionnaires, and the extensions granted, Cablesa made no effort to provide any explanation or propose an alternate form of submitting the data. Cablesa's actions have rendered the cost response useless for purposes of the dumping analysis. This constitutes a failure on the part of this company to cooperate “to the best of its ability to comply with a request for information” by the Department within the meaning of section 776 of the Act. Therefore, the Department has preliminarily determined that in selecting from among the facts otherwise available, an adverse inference is warranted because Cablesa has failed to respond adequately to the Department's request. *See Notice of Final Determinations of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from Turkey*, 65 FR 15123 (March 21, 2000).

C. Selection and Corroboration of Information Used as Facts Available

Where the Department applies AFA because a respondent failed to cooperate by not acting to the best of its ability to comply with a request for information, section 776(b) of the Act authorizes the Department to rely on information derived from the petition, a final determination, a previous administrative review, or other information placed on the record. *See also* 19 CFR 351.308(c); SAA at 829–831. In this case, because we are unable to calculate a margin for Cablesa, we assign to Cablesa the highest margin alleged for Mexico in the petition. *See Initiation Notice*, 68 FR at 9053.

When using facts otherwise available, section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) in using facts otherwise available, it must, to the extent practicable, corroborate that information from independent sources that are reasonably at its disposal. The SAA clarifies that “corroborate” means that the Department will satisfy itself that the secondary information to be used has probative value. *See* SAA at 870. The Department's regulations state that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. *See* 19 CFR 351.308(d); *see also* SAA at 870.

To assess the reliability of the petition margin for the purposes of this investigation, to the extent appropriate information was available, we reviewed the adequacy and accuracy of the information in the petition for both this preliminary determination and during our pre-initiation analysis. *See* Office of AD/CVD Enforcement Initiation Checklist, at 15 (February 20, 2003) (*Initiation Checklist*). Also, as discussed below, we examined evidence supporting the calculations in the petition to determine the probative value of the margins in the petition for use as AFA for purposes of this preliminary determination. In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the export price (EP) and normal value (NV) calculations on which the margins in the petition were based. *See* Memorandum from Daniel O'Brien, International Trade Compliance Analyst, to the File, Re: Corroboration of Data Contained in the Petition for Assigning Facts Available Rate

(Corroboration Memo), dated July 10, 2003.

1. Corroboration of Export Price

The petitioners based EP on prices within the POI for sales of PC strand manufactured by a Mexican producer and offered for sale directly to an unaffiliated U.S. customer. The petitioners averaged the gross prices for the individual prices and deducted U.S. import duties, freight and insurance to the U.S. port of entry, and U.S. inland freight from the average price. The petitioners did not deduct U.S. harbor maintenance and merchandise processing fees, based on the conservative assumption that the Mexican products were shipped over land.

In the petition, the Department was provided with two affidavits for U.S. pricing data for Camesa, one for pricing of ½ inch, 270 grade PC strand delivered to the U.S. port of entry, and the other for pricing of ½ inch, 270 grade PC strand delivered to the U.S. customer. For purposes of corroborating these price-to-price calculations in the petition, we compared this price to Cablesa's U.S. sales database submitted on June 18, 2003. Using this data, we noted that the prices listed in the affidavits in the petition were comparable to the data submitted by Camesa; therefore, we find that the petitioners' information for U.S. price continues to have probative value. *See* Corroboration Memo.

2. Corroboration of Normal Value

With respect to NV, the petitioners provided a home market price that was obtained from an invoice for a sale by Camesa in Mexico to an unaffiliated customer. The petitioners state that the invoice price reported was a delivered price. To calculate the NV, the petitioners deducted inland freight from the home market price, and, consistent with our statutory EP circumstances-of-sale calculation methodology, adjusted the home market price for imputed credit and commissions by deducting home market credit expenses from the home market prices and adding the U.S. imputed credit and U.S. commission expenses to this price.

We confirmed that the invoice submitted by the petitioners was correctly included in Camesa's home market database submitted to the Department on June 18, 2003, and note therefore that it has probative value. *See* Corroboration Memo at 2.

The implementing regulation for section 776 of the Act, at 19 CFR 351.308(d) states, “{t}he fact that corroboration may not be practicable in

a given circumstance will not prevent the Secretary from applying an adverse inference as appropriate and using the secondary information in question." Additionally, we note that the SAA at 870 specifically states that, where "corroboration may not be practicable in a given circumstance," the Department need not "prove that the facts available are the best alternative." There are no independent sources for the cost data used to calculate the CV in the petition. Where relevant information was available from Cablesa's financial statements, that information was used in the calculation of CV.

Therefore, based on our efforts, described above, to corroborate information contained in the petition, and in accordance with 776(c) of the Act, we consider the margins in the petition to be corroborated to the extent practicable for purposes of this preliminary determination.

Accordingly, in selecting AFA with respect to Cablesa, we have applied the margin rate of 77.20 percent, which is the highest estimated dumping margin set forth in the notice of initiation. See *Initiation Notice*, 68 FR at 9053.

Product Comparisons

In accordance with section 771(16) of the Act, all products produced by the respondents covered by the description in the *Scope of Investigation* section, above, and sold in Mexico during the POI, are considered to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We have relied on four criteria to match U.S. sales of subject merchandise to comparison-market sales of the foreign like product: diameter, covering/coating, grade, and type. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics listed above.

Fair Value Comparisons

To determine whether sales of PC strand from Mexico were made in the United States at LTFV, we compared the EP and the constructed export price (CEP) to the NV, as described in the *Export Price and Constructed Export Price and Normal Value* sections of this notice. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs and CEPs. We compared these to weighted-average home market prices in Mexico. For Camesa, we compared all U.S. and home market sales made during the POI, based on the date of issuance of Camesa's purchase orders. We

determined this to be the appropriate date of sale because the quantity and price of the sales did not change after the date of the purchase order.

Export Price and Constructed Export Price

For the price to the United States, we used, as appropriate, EP or CEP, as defined in sections 772(a) and 772(b) of the Act, respectively. Section 772(a) of the Act defines EP as the price at which the subject merchandise is first sold before the date of importation by the producer or exporter outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection 772(c) of the Act.

Section 772(b) of the Act defines CEP as the price at which the subject merchandise is first sold in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections 772(c) and (d) of the Act.

For Camesa, we calculated EP and CEP, as appropriate, based on the packed prices charged to the first unaffiliated customer in the United States. We found that Camesa made EP sales during the POI. These sales are properly classified as EP sales because they were made outside the United States by the exporter or producer to unaffiliated customers in the United States prior to the date of importation. We note that Camesa's affiliated reseller in the United States provided certain administrative services pertaining to the reported EP sales. However, our analysis of sales documents in the questionnaire response, indicated that these services were minor and that the invoicing was done by Camesa and payment was made to Camesa. Therefore, since CEP was not otherwise warranted based on the facts on the record, we have preliminarily concluded that the sales were, in fact, EP. We will continue to analyze these sales and this issue for the final determination.

We also found that Camesa made CEP sales during the POI. These sales are properly classified as CEP sales because they were made for the account of Camesa, by a seller affiliated with Camesa, to an unaffiliated purchaser in the United States.

In accordance with section 772(c)(2) of the Act, for both EP and CEP sales we made deductions from the starting price for movement expenses and export taxes and duties, where appropriate. These

included inland freight, insurance expenses, brokerage and handling fees, and customs duties. Section 772(d)(1) of the Act provides for additional adjustments to calculate CEP.

Accordingly, where appropriate, we deducted direct and indirect selling expenses related to commercial activity in the United States. Pursuant to section 772(d)(3) of the Act, where applicable, we made an adjustment for CEP profit.

Regarding CEP profit and deductions from the starting price, we recalculated the indirect selling expenses incurred by Camesa's U.S. affiliate, based on the affiliate's 2002 income statement. See Memorandum from Jim Kemp, Import Compliance Specialist, to Constance Handley, Program Manager, Re: Analysis Memorandum for Aceros Camesa S.A. de C.V., dated July 10, 2003.

Normal Value

A. Selection of Comparison Markets

Section 773(a)(1) of the Act directs that NV be based on the price at which the foreign like product is sold in the home market, provided that the merchandise is sold in sufficient quantities (or value, if quantity is inappropriate), that the time of the sales reasonably corresponds to the time of the sale used to determine EP or CEP, and that there is no particular market situation that prevents a proper comparison with the EP or CEP. The statute contemplates that quantities (or value) will normally be considered insufficient if they are less than five percent of the aggregate quantity (or value) of sales of the subject merchandise to the United States.

We found that Camesa had a viable home market for PC strand. As such, Camesa submitted home market sales data for purposes of the calculation of NV.

In deriving NV, we made adjustments as detailed in the *Calculation of Normal Value Based on Home Market Prices* section, below.

B. Cost of Production Analysis

Based on allegations contained in the petition, and in accordance with section 773(b)(2)(A)(i) of the Act, we found reasonable grounds to believe or suspect that PC strand sales were made in Mexico at prices below the cost of production (COP). See *Initiation Notice*, 68 FR 9050. As a result, the Department has conducted an investigation to determine whether Camesa made home market sales at prices below their respective COPs during the POI within the meaning of section 773(b) of the Act.

We conducted the COP analysis described below.

1. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated a weighted-average COP based on the sum of the cost of materials and fabrication for the foreign like product, plus amounts for the home market G&A expenses, including interest expenses, and packing expenses. We relied on the COP data submitted by Camesa in its cost questionnaire response, except for an adjustment to the calculation of Camesa's interest expense ratio to include net foreign exchange gains and losses and exclude monetary position gain. See Memorandum from Margaret Pusey, Accountant, to Neal M. Halper, Director, Office of Accounting, Re: Cost of Production Calculation Adjustments for the Preliminary Determination, dated July 10, 2003.

2. Test of Home Market Sales Prices

We compared the adjusted weighted-average COP for Camesa to its home-market sales prices of the foreign like product, as required under section 773(b) of the Act, to determine whether these sales had been made at prices below the COP within an extended period of time (*i.e.*, a period of one year) in substantial quantities and whether such prices were sufficient to permit the recovery of all costs within a reasonable period of time.

On a model-specific basis, we compared the revised COP to the home market prices, less any applicable movement charges, discounts, rebates, and direct and indirect selling expenses (which were also deducted from COP).

3. Results of the COP Test

Pursuant to section 773(b) of the Act, which provides that sales made below COP may be disregarded only if, among other things, they are made in "substantial quantities" (*i.e.* 20 percent or more of a respondent's sales of a given product), we did not disregard any below-cost sales because we determined that the below-cost sales were not made in "substantial quantities." As this was the case for all products sold in the home market, we did not disregard any sales as below-cost.

C. Calculation of Normal Value Based on Home Market Prices

We determined NV for Camesa as follows. We made adjustments for any differences in packing and deducted home market movement expenses pursuant to sections 773(a)(6)(A) and 773(a)(6)(B)(ii) of the Act. In addition,

where applicable in comparison to EP transactions, we made adjustments for differences in circumstances of sale (COS) pursuant to section 773(a)(6)(C)(iii) of the Act.

We made COS adjustments for Camesa's EP transactions by deducting direct selling expenses incurred for home market sales (credit expenses) and adding U.S. direct selling expenses (credit expenses).

D. Level of Trade/Constructed Export Price Offset

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade as the EP or CEP transaction. The NV level of trade is that of the starting-price sales in the comparison market. For EP sales, the U.S. level of trade is also the level of the starting-price sale, which is usually from exporter to importer. For CEP transactions, it is the level of the constructed sale from the exporter to the importer.

To determine whether NV sales are at a different level of trade than EP or CEP transactions, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different level of trade and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(7)(A) of the Act.

In implementing these principles in this investigation, we obtained information from Camesa about the marketing stages involved in the reported U.S. and home market sales, including a description of the selling activities performed by the respondent for each channel of distribution. In identifying levels of trade for EP and home market sales we considered the selling functions reflected in the starting price before any adjustments. For CEP sales, we considered only the selling activities reflected in the price after the deduction of expenses pursuant to section 772(d) of the Act.

In conducting our level-of-trade analysis for Camesa, we examined the specific types of customers, the channels of distribution, and the selling practices of the respondent. Generally, if the reported levels of trade are the same, the functions and activities of the seller should be similar. Conversely, if a party reports levels of trade that are different

for different categories of sales, the functions and activities may be dissimilar. We found the following.

Camesa has reported one channel of distribution in the home market, (1) sales to unaffiliated end users and distributors, and three channels of distribution in the U.S. market, (2) EP sales to unaffiliated end users, (3) CEP sales through an affiliated importer to unaffiliated end users, and (4) CEP sales through an affiliated importer to unaffiliated resellers. Camesa has reported two customer categories in the home market, (1) distributors and (2) direct customers. The company performed the same selling functions for all home market customers, and, therefore, has only one level of trade in the home market. Camesa has reported two customer categories in the U.S. market, (1) trading companies and (2) direct customers. In the U.S. market all of the EP sales were sold to direct customers. In comparing EP sales to home market sales, we found that the selling functions performed by Camesa for its different customers and channels of distribution were very similar in each market. Therefore, we concluded that the EP and home market levels of trade were the same.

With regard to the U.S. sales through an affiliated importer, which were all CEP sales, we considered only the selling activities reflected in the price after the deduction of expenses and profit covered in section 772(d) of the Act. For home market sales, Camesa provided selling functions such as sales processing, credit and collections, inventory, and freight. We found that for CEP sales, except for credit and collections, Camesa provided the same services with the addition of packing and documentation for export. Based on the similarities of selling functions provided by Camesa in both markets, we have determined that the CEP sales are made at the same level of trade as the home market sales. Therefore, we find it unnecessary to make any LOT or CEP adjustments.

Currency Conversions

We made currency conversions into U.S. dollars in accordance with section 773A of the Act based on exchange rates in effect on the dates of the U.S. sale, as obtained from the Federal Reserve Bank (the Department's preferred source for exchange rates).

Critical Circumstances

On June 17, 2003, the petitioners alleged that there is a reasonable basis to believe or suspect critical circumstances exist with respect to the antidumping investigations of PC strand

from Mexico. In accordance with 19 CFR 351.206(c)(2)(i), because petitioners submitted critical circumstances allegations more than 20 days before the scheduled date of the preliminary determination, the Department must issue preliminary critical circumstances determinations not later than the date of the preliminary determination.

Section 733(e)(1) of the Act provides that the Department, upon receipt of a timely allegation of critical circumstances, will determine whether there is a reasonable basis to believe or suspect that: (A)(i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period.

According to 19 CFR 351.206(h)(1), in determining whether imports of the subject merchandise have been "massive," the Department normally will examine: (i) The volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, 19 CFR 351.206(h)(2) provides that "unless the imports during a 'relatively short period' have increased by at least 15 percent over the imports during an immediately preceding period of comparable duration, the Secretary will not consider the imports massive."

In accordance with 19 CFR 351.206(i), the Department defines "relatively short period" as generally the period beginning on the date the proceeding begins (*i.e.*, the date the petition is filed) and ending at least three months later. This section further provides that, if the Department finds that importers, exporters or producers had reason to believe at some time prior to the filing of the petition that a proceeding was likely, then the Department may consider a period of not less than three months from that earlier time.

In determining whether the above statutory criteria have been satisfied, we examined: (1) The evidence presented in the petitioners' submission of June 17, 2003; (2) exporter-specific shipment data requested by the Department; (3) evidence obtained since the initiation of the LTFV investigation (*i.e.*, additional import statistics released by the Census Bureau); and (4) the ITC preliminary injury determination.

To determine whether a history of dumping and material injury exists, the Department generally considers current or previous antidumping duty orders on the subject merchandise from the country in question in the United States and current orders in any other country. The Department will normally not consider the initiation of a case, or a preliminary or final determination of sales at LTFV in the absence of an affirmative finding of material injury by the ITC, as indicative of a history sufficient to satisfy this criterion. See *Preliminary Determination of Critical Circumstances: Steel Concrete Reinforcing Bars From Ukraine and Moldova*, 65 FR 70696 (November 27, 2000). With regard to imports of PC strand from Mexico, the petitioners make no specific mention of a history of dumping. We are not aware of any antidumping order in the United States or elsewhere on PC strand from Mexico. For this reason, the Department does not find a history of injurious dumping of the subject merchandise from Mexico pursuant to section 733(e)(1)(A)(i) of the Act.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that the exporter was selling PC strand at LTFV, the Department must rely on the facts before it at the time the determination is made. The Department normally considers margins of 25 percent or more for EP sales and 15 percent or more for CEP sales sufficient to impute knowledge of dumping. See *e.g.*, *Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China*, 62 FR 31972, 31978 (June 11, 1997). The Department generally bases its decision, with respect to knowledge, on the margins calculated in the preliminary determination. Because the preliminary dumping margins for the respondents are greater than 25 percent, we find there is a reasonable basis to impute knowledge of dumping with respect to these imports from Mexico.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that there was likely to be material injury by reason of dumped imports, the Department normally will look to the preliminary injury determination of the ITC. If the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, the Department will determine that a reasonable basis exists to impute importer knowledge that material injury is likely by reason of dumped imports. See *Final Determination of Sales at Less*

Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China, 62 FR 61964 (November 20, 1997). In this case, the ITC preliminarily found that there is material injury to the United States by reason of imports of subject merchandise from Brazil, India, Mexico, the Republic of Korea, and Thailand. See *Determinations and Views of the Commission*, USITC Publication No. 3589, March 2003. Therefore, we preliminarily find that there is a reasonable basis to believe or suspect that Mexican importers knew or should have known that dumped imports of PC strand from these countries were likely to cause material injury. See *Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China*, 62 FR 31972 (June 11, 1997); *Preliminary Determination of Sales at Less Than Fair Value, Certain Cut-to-Length Carbon Steel Plate from the Russian Federation*, 62 FR 31967 (June 11, 1997); *Preliminary Determination of Sales at Less Than Fair Value, Certain Cut-to-Length Carbon Steel Plate from Ukraine*, 62 FR 31958 (June 11, 1997).

In determining whether there are "massive imports" over a "relatively short period," pursuant to section 733(e)(1)(B) of the Tariff Act, the Department normally compares the import volumes of the subject merchandise for at least three months immediately preceding the filing of the petition (*i.e.*, the "base period") to a comparable period of at least three months following the filing of the petition (*i.e.*, the "comparison period"). However, as stated at 19 CFR 351.206(i), if the Secretary finds importers, exporters, or producers had reason to believe at some time prior to the beginning of the proceeding that a proceeding was likely, then the Secretary may consider a time period of not less than three months from that earlier time. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period.

In accordance with 19 CFR 351.206(i), the comparison period must be at least three months; however, if we determine that importers, or exporters or producers, had reason to believe that a proceeding was likely, then the Department may consider a longer period. The Department requested and obtained from both Camesa and Cablesa monthly shipment data for 2001, 2002, and January through June 2003. In addition, we obtained U.S. import data

for PC strand through April 2003, as reported on the ITC's DataWeb site. Due to our application of total AFA to Cablesa, we relied on U.S. import data provided by BCBP to conduct our surge analysis. Since this import information is only currently available through the end of April 2003, we have decided that three-month base periods and three-month comparison periods are the most appropriate. Therefore, we have concluded that the comparison period should be February 2003 to April 2003, while the base period should be November 2002 to January 2003.

Pursuant to 19 CFR 351.206(h), we will not consider imports to be massive unless imports in the comparison period have increased by at least 15 percent over imports in the base period. For Camesa, we found the volume of shipments of PC strand increased by less than 15 percent; for Cablesa, according to import information obtained from BCBP, we found the volume of shipments of PC strand increased by more than 15 percent. We therefore find that imports of subject merchandise were massive in the comparison period for Cablesa, but not for Camesa. See Memorandum from Salim Bhabrawla and Carol Henninger, International Trade Compliance Analysts, to Constance Handley, Program Manager, Re: Antidumping Duty Investigation of Prestressed Concrete Steel Wire Strand from Mexico and Thailand—Preliminary Affirmative and Negative Determinations of Critical Circumstances (Critical Circumstances Memo), dated July 10, 2003.

It is also the Department's practice to conduct its critical circumstances analysis of companies in the "All Others" category based on the experience of the investigated companies. Because we are determining that critical circumstances did not exist for Camesa, and Camesa is the only respondent that has received a margin not based on AFA in this investigation, we are concluding that critical circumstances did not exist for companies covered by the "All Others" rate.

In summary, we find there is a reasonable basis to believe or suspect importers had knowledge of dumping and the likelihood of material injury with respect to PC strand from Mexico. We further find there have been massive imports of PC strand over a relatively short period from respondent Cablesa. However, imports from Camesa have been found to be not massive over a relatively short period. In addition, we find that imports of PC strand have not been massive over a relatively short period from companies covered by the

"All-Other" rate. Given the analysis summarized above, and described in more detail in the Critical Circumstances Memo, we preliminarily determine critical circumstances exist for imports of PC strand produced and exported by Cablesa.

In accordance with section 733(e)(2) of the Act, upon issuance of an affirmative preliminary determination of sales at LTFV in the investigation with respect to PC strand produced and exported by Cablesa, the Department will direct the BCBP to suspend liquidation of all entries of PC strand from Mexico that are entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication in the **Federal Register** of our preliminary determination in this investigation. BCBP shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margins reflected in the preliminary determinations published in the **Federal Register**. The suspension of liquidation to be issued after our preliminary determination will remain in effect until further notice. We will make a final determination concerning critical circumstances for all producers and exporters of subject merchandise from Mexico when we make our final determinations in this investigation, which will be 135 days after the date of publication of the preliminary determination.

Verification

In accordance with section 782(i) of the Act, we intend to verify all information relied upon in making our final determination for Camesa. Verification of Cablesa's data is contingent upon the sufficiency of the company's response to our July 10, 2003, request, and any subsequent requests, for additional information.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we are directing the BCBP to suspend liquidation of all entries of PC strand from Mexico, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. Additionally, for Cablesa, we are instructing the BCBP to suspend liquidation of entries made on or after 90 days prior to the publication of this notice. We are also instructing the BCBP to require a cash deposit or the posting of a bond equal to the weighted-average dumping margin as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

The weighted-average dumping margins are provided below:

Producer/exporter	Weighted-average margin (percentage)
Aceros Camesa S.A. de C.V. ...	57.64
Cablesa S.A. de C.V.	77.20
All Others	57.64

Disclosure

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties in this proceeding in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 733(f) of the Act, we have notified the ITC of the Department's preliminary affirmative determination. If the final determination in this proceeding is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of PC strand from Mexico are materially injuring, or threaten material injury to, the U.S. industry.

Public Comment

Interested parties are invited to comment on the preliminary determination. Interested parties may submit case briefs on the later of 50 days after the date of publication of this notice or one week after the issuance of the verification reports. See 19 CFR 351.309(c)(1)(i). Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days after the deadline for the submission of case briefs. See 19 CFR 351.309(d). A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes. Further, we request that parties submitting briefs and rebuttal briefs provide the Department with a copy of the public version of such briefs on diskette.

In accordance with section 774 of the Act, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. If a request for a hearing is made, we will tentatively hold the hearing two days after the deadline for submission of rebuttal briefs at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, at a time and in a room to be determined.

Parties should confirm by telephone the date, time, and location of the hearing 48 hours before the scheduled date.

Interested parties who wish to request a hearing, or to participate in a hearing if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, within 30 days of the date of publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. At the hearing, oral presentations will be limited to issues raised in the briefs. *See* 19 CFR 351.310(c). The Department will make its final determination no later than 135 days after the date of publication of this preliminary determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act.

Dated: July 10, 2003.

Jeffrey May,

*Acting Assistant Secretary for Grant Aldonas,
Under Secretary.*

[FR Doc. 03-18130 Filed 7-16-03; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-837]

Notice of Preliminary Determination of Sales at Less Than Fair Value: Prestressed Concrete Steel Wire Strand from Brazil

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

ACTION: Notice of Preliminary Determination of Sales at Less Than Fair Value.

EFFECTIVE DATE: July 17, 2003.

FOR FURTHER INFORMATION CONTACT: David Layton at (202) 482-0371, or Monica Gallardo at (202) 482-3147; AD/CVD Enforcement Office V, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Preliminary Determination

We preliminarily determine that prestressed concrete steel wire strand (PC strand) from Brazil is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as

provided in section 733 of the Tariff Act of 1930, as amended (the Act). The preliminary margin assigned to Belgo Bekaert Arames, S.A. (BBA) is based on adverse facts available (AFA). The estimated margin of sales at LTFV is shown in the *Suspension of Liquidation* section of this notice.

Interested parties are invited to comment on this preliminary determination. We will make our final determination not later than 75 days after the date of this preliminary determination.

Case History

This investigation was initiated on February 20, 2003.¹ *See Notice of Initiation of Antidumping Duty Investigations: Prestressed Concrete Steel Wire Strand From Brazil, India, the Republic of Korea, Mexico, and Thailand*, 68 FR 9050 (February 27, 2003) (*Initiation Notice*). Since the initiation of the investigation, the following events have occurred:

The Department of Commerce (the Department) set aside a period for all interested parties to raise issues regarding product coverage. *See Initiation Notice*, 68 FR at 9050. No comments were received from interested parties in this investigation.

The Department issued a letter on March 7, 2003, to interested parties in all of the concurrent PC strand antidumping investigations, providing an opportunity to comment on the Department's proposed model match characteristics and its hierarchy of characteristics. The petitioners submitted comments on March 18 and March 20, 2003. The Department also received comments on model matching from respondents in the concurrent investigation involving Mexico on March 18, 2003. These comments were taken into consideration by the Department in developing the model matching characteristics and hierarchy for all of the PC strand antidumping investigations.

On March 17, 2003, the United States International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that imports of the products subject to this investigation are materially injuring an industry in the United States producing the domestic like product. *See Prestressed Concrete Steel Wire Strand From Brazil, India, Korea, Mexico, and Thailand*, 68 FR 13952 (March 21, 2003).

On April 4, 2003, the Department issued its antidumping questionnaire to

the Brazilian respondent, BBA, specifying, that the response to section A would be due on April 25, 2003, and that the responses to sections B, C, and D would be due May 12, 2003². On April 28, 2003, BBA confirmed that it would not participate in the investigation. *See Memorandum from David Layton, International Trade Compliance Analyst, to the File, Re: Telephone Conversation with Counsel for Brazilian Producer Belgo Bekaert Arames S.A. Concerning Participation*, dated April 28, 2003. BBA provided no further elaboration, nor did it suggest alternatives to meet the Department's requirements pursuant to 782(c) of the Act. *Id.*

Selection of Respondents

Section 777A(c)(1) of the Act directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Act permits the Department to investigate either: (1) a sample of exporters, producers, or types of products that is statistically valid, based on the information available at the time of selection; or (2) exporters and producers accounting for the largest volume of the subject merchandise that can reasonably be examined.

During the period of investigation (POI), only BBA was identified as a producer/exporter of subject merchandise from Brazil. In an April 1, 2003, conversation with counsel to BBA, it was confirmed that BBA is the sole producer of PC strand in Brazil and that BBA is a subsidiary of the Companhia Siderurgica Belgo-Mineira (Belgo-Mineira) which holds majority shares in BBA. *See Memorandum from David Layton, International Trade Compliance Analyst, to the File dated April 1, 2003.* Therefore, we selected BBA as the sole respondent in the investigation of PC strand from Brazil. *See Memorandum from Daniel O'Brien, Import Compliance Specialist, to Gary Taverman, Director, Office 5, RE:*

² Section A of the questionnaire requests general information concerning a company's corporate structure and business practices, the merchandise under investigation that it sells, and the manner in which it sells that merchandise in all of its markets. Section B requests a complete listing of all home market sales or, if the home market is not viable, of sales in the most appropriate third-country market (this section is not applicable to respondents in non-market economy cases). Section C requests a complete listing of U.S. sales. Section D requests information on the cost of production of the foreign like product and the constructed value of the merchandise under investigation. Section E requests information on further manufacturing.

¹ The petitioners in this investigation are American Spring Wire Corp., Insteel Wire Products Company, and Sumiden Wire Products Corp.