

Manufacturer/exporter	Margin (percent)
Hunan Provincial Native Produce & Animal By-Products Import & Export Corp. ...	0.00
Hebei Founder Import & Export Company .....	30.02

### Cash Deposit Requirements

The following deposit requirements will be effective upon publication of this notice of final results of administrative review for all shipments of natural bristle paint brushes and brush heads from the PRC entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rates for the reviewed companies will be the rates shown above except that, for firms whose weighted-average margins are less than 0.5 percent and therefore *de minimis*, the Department shall require no deposit of estimated antidumping duties; (2) for previously-reviewed PRC and non-PRC exporters with separate rates, the cash deposit rate will be the company-specific rate established for the most recent period; (3) for all other PRC exporters, the cash deposit rate will be the PRC-wide rate, 351.92 percent; and (4) for all other non-PRC exporters of the subject merchandise, the cash deposit rate will be the rate applicable to the PRC supplier of that exporter.

These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with section 351.305(a)(3) of the Department's regulations. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this determination and notice in accordance with sections 751 and 777(i) of the Act.

Dated: July 13, 2000.

**Troy H. Cribb,**  
Acting Assistant Secretary for Import Administration.

### Appendix—List of Issues

- Factor Valuation and Usage Rates
  - Surrogate Values of Material Inputs
  - Material Input Weights
  - Wooden Core
  - Inflation of Surrogate Values
- Non *Bona Fide* Sale
- Scope
- Clerical Errors

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-433-808, A-822-804, A-570-860, A-560-811, A-588-855, A-580-844, A-449-804, A-841-804, A-455-803, A-821-812, A-823-809, A-307-819]

### Initiation of Antidumping Duty Investigations: Steel Concrete Reinforcing Bars From Austria, Belarus, Indonesia, Japan, Latvia, Moldova, the People's Republic of China, Poland, the Republic of Korea, the Russian Federation, Ukraine, and Venezuela

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

**ACTION:** Initiation of Antidumping Duty Investigations.

**EFFECTIVE DATE:** July 25, 2000.

**FOR FURTHER INFORMATION CONTACT:** Charles Riggle or Tom Futtner at (202) 482-0650 and (202) 482-3814, 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 (2000).

### *The Petitions*

On June 28, 2000, the Department of Commerce (the Department) received petitions filed in proper form by the Rebar Trade Action Coalition (RTAC), as well as its individual members<sup>1</sup> (hereinafter collectively, the petitioner). RTAC is an ad hoc trade association, the members of which are producers of the domestic like product in the alleged region. The Department received from RTAC information supplementing the petitions throughout the 20-day initiation period.

In accordance with section 732(b) of the Act, the petitioner alleges that imports of steel concrete reinforcing bars (rebar) from Austria, Belarus, Indonesia, Japan, the Republic of Korea (Korea), Latvia, Moldova, the People's Republic of China (the PRC), Poland, the Russian Federation (Russia), Ukraine, and Venezuela 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 section 771(9)(C) 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 the following section below).

### *Determination of Industry Support for the Petitions*

The petitioner alleges that there is a regional industry for the domestic like product and included data for both factors required by section 771(4)(C) of the Act: (1) The producers within such market sell all or almost all of their production of the like product in question in the regional market; and (2) the demand in the regional market is not supplied, to any substantial degree, by producers located elsewhere in the United States.<sup>2</sup> Moreover, the petitioner included data supporting its allegation that there is a concentration of dumped

<sup>1</sup> AmeriSteel; Auburn Steel Co., Inc.; Birmingham Steel Corp.; Border Steel, Inc.; Marion Steel Company; Riverview Steel; Nucor Steel and CMC Steel Group. Auburn Steel Co. is not a petitioner in the investigations involving rebar from Japan and Indonesia.

<sup>2</sup> The region identified by the petitioner consists of Alabama, Arkansas, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wisconsin.

imports from the subject countries in the region, pursuant to section 771(4)(C) of the Act.<sup>3</sup> We have examined the accuracy and adequacy of the information supporting the regional industry claim to determine whether the petitioner provided evidence, reasonably available to it, sufficient to justify initiation based on a regional industry analysis. We determined the accuracy and adequacy of the petitioner's data by comparing the petition information with publicly available data. On this basis, we have determined that the petitioner satisfied the statutory requirements for initiation purposes. See *Initiation Checklist*, dated July 18, 2000 (*Initiation Checklist*), which is on file in Import Administration's Central Records Unit.

If the petitioner alleges that the industry is a regional industry, the Department, on the basis of production in the region, shall determine whether the petition has been filed on behalf of the domestic industry by applying the requirements enunciated in section 732(c)(4)(A) of the Act. This section of the Act provides that the Department's industry support determination, which is to be made before the initiation of the investigation, be based on whether a minimum percentage of the relevant regional industry supports the petition. 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 in the region; and (2) more than 50 percent of the production of the domestic like product in the region 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 U.S. 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 authorities. 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>4</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, below. No party has commented on the petitions' definition of the domestic like product, and there is nothing on the record to 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*). For each petition filed, the petitioner established industry support representing over 50 percent of total production of the domestic like product in the region. Accordingly, the Department determines that these petitions are filed on behalf of the regional domestic industry within the meaning of section 732(b)(1) of the Act.<sup>5</sup>

<sup>4</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).

<sup>5</sup> We note that, even if the petitions did not allege a regional market for the subject merchandise, industry support for these petitions represents more than 50 percent of national production of the domestic like product.

### Scope of Investigations

For purposes of these investigations, the product covered is all steel concrete reinforcing bars (rebar) sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under item number 7214.20.00 or any other tariff item number. Specifically excluded are plain rounds (i.e., non-deformed or smooth bars) and rebar that has been further processed through bending or coating. HTSUS subheadings are provided for convenience and Customs purposes. The written description of the scope of this proceeding 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 August 18, 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.

### 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 sources of data for the deductions and adjustments relating to home market price, U.S. price, and factors of production (FOP) are detailed in the *Initiation Checklist*. Where the petitioner obtained data from foreign market research, we spoke to the researcher to establish that person's credentials and to confirm the validity of the information being provided. 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.

Regarding the investigations involving non-market economies (NME), the Department presumes, based on the extent of central government control in an NME, that a single dumping margin, should there be one, is appropriate for

<sup>3</sup> To date, the International Trade Commission has not considered the issue of whether to cumulatively assess the volume and effect of imports under section 771(7)(G)(i) of the Act in a regional industry case, where the petition alleges dumping of imports from more than one country. As a result, this case presents a novel question of whether to reach the cumulation issue before determining whether the subject imports were sufficiently concentrated within the alleged region, or whether to consider the concentration issue for each individual country, pursuant to section 771(4)(C) of the Act. Either method is a plausible interpretation of the statute. For purposes of these initiations, in our analysis of whether subject imports were sufficiently concentrated under section 771(4)(C) of the Act, we will accept the petitioner's allegation of injury based on the cumulative assessment of the volume and value of imports under section 771(7)(G)(i) of the Act.

all NME exporters in the given country. In the course of these investigations, all parties will have the opportunity to provide relevant information related to the issues of a country's NME status and the granting of separate rates to individual exporters. *See, e.g., Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the PRC*, 59 FR 22585 (May 2, 1994).

#### Austria

##### Export Price

The petitioner based export price (EP) on the March 2000 unit value reported in the Bureau of the Census IM-145 data and calculated a net U.S. price by deducting from this value international freight, U.S. port charges, and customs duties paid.

##### Normal Value

The petitioner based normal value (NV) on two methodologies. First, the petitioner provided an Austrian domestic price of high yield rebar obtained from an industry publication. However, because of the lack of specificity of the terms of sale associated with this price, we have not considered this value as a basis for NV. The petitioner also based NV on constructed value (CV), consisting of cost of manufacturing (COM), selling, general and administrative expenses (SG&A), profit, interest expense, depreciation, and packing. COM was calculated based on the average consumption rates of two U.S. rebar producers. The petitioner adjusted COM for known cost differences of the producers in the United States and Austria. To calculate SG&A and interest expense, the petitioner relied upon its own data because the Austrian producer's financial statements did not disclose these expenses. The petitioner derived profit based upon an Austrian rebar producer's 1998 financial statements.

Based upon the comparison of CV to EP, the petitioner calculated an estimated dumping margin of 104.05 percent.

#### Belarus

##### Export Price

The petitioner based EP on price quotes from Byelorussian Steel Works (BSW) to an unaffiliated U.S. purchaser for different sizes of rebar of the same grade and calculated a net U.S. price by deducting international freight and U.S. port charges.

##### Normal Value

The petitioner alleges that Belarus is an NME country, and calculated NV

based on the FOP methodology pursuant to section 773(c) of the Act. In accordance with section 771(18)(C) of the Act, any determination that a foreign country has at one time been considered an NME shall remain in effect until revoked. This status covers the geographic area of the former U.S.S.R., each part of which retains the NME status of the former U.S.S.R. Therefore, Belarus will be treated as an NME unless and until its NME status is revoked (*see Preliminary Determination of Sales at Less Than Fair Value: Uranium from Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Ukraine, and Uzbekistan*, 57 FR 23380 (June 3, 1992)).

For NV, the petitioner based the FOP, as defined by section 773(c)(3) of the Act, on the consumption rates of two U.S. rebar producers. The petitioner asserts that information regarding BSW's consumption rates is not available, and that the consumption rates of the two U.S. producers are typical of the global steel industry. Based on the information provided by the petitioner, we believe that the petitioner's FOP methodology represents information reasonably available to the petitioner and is appropriate for purposes of initiating this investigation.

The petitioner asserts that Thailand is the most appropriate surrogate country for Belarus, claiming that Thailand is: (1) A market economy; (2) a significant producer of comparable merchandise; and (3) at a level of economic development comparable to Belarus in terms of per capita GNP. Based on the information provided by the petitioner, we believe that the petitioner's use of Thailand as a surrogate country is appropriate for purposes of initiating 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 from Thailand. Values for scrap steel and the scrap offset were based on Thai import prices listed in *TradStat Import/Exports Report* for the period October 1999 through March 2000. The value for electricity was obtained from the International Energy Agency's *Energy Prices & Taxes*, Fourth Quarter 1999. The natural gas value was taken from *Coal and Natural Gas Competition in APEC Economies*, August 1999. Labor was valued using the Department's regression-based wage rate for Belarus, in accordance with 19 CFR 351.408(c)(3).

The petitioner valued other production costs, for which no Thai surrogate values were available, with values from the two U.S. producers. All

surrogate values that fell outside the anticipated period of investigation (POI), which in the NME cases was October 1, 1999 through March 31, 2000, were adjusted for inflation. For electricity, we recalculated the inflator using the wholesale price index. To determine depreciation, SG&A, interest expenses, and profit, the petitioner relied on the data from a 1999 annual report of Sahaviriya Steel Industries Public Company Limited, a Thai steel producer. Based on the information provided by the petitioner, we believe that the surrogate values represent information reasonably available to the petitioner and are acceptable for purposes of initiating this investigation.

Based on comparisons of EP to NV, the petitioner calculated estimated dumping margins ranging from 49.06 to 56.48 percent.

#### Indonesia

##### Export Price

The petitioner based EP on price quotes from PT Jakarta Kyoei Steel Works Ltd. (Jakarta Kyoei) to an unaffiliated U.S. purchaser for different grades and sizes of rebar, and calculated a net U.S. price by deducting foreign inland freight, international freight, and Indonesian and U.S. port charges.

##### Normal Value

With respect to NV, the petitioner provided a home market price that was obtained from foreign market research for a grade and size of rebar that is comparable to those of the products exported to the United States which serve as the basis for EP. The petitioner states that the home market price quotation was FOB mill and did not make any deductions from this price.

Although the petitioner provided a margin based on a price-to-price comparison, it also provided information demonstrating reasonable grounds to believe or suspect that sales of rebar in the home market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of the COM, SG&A, and packing. The petitioner calculated COM based on the consumption rates of a U.S. rebar producer. The petitioner adjusted COM for known differences in the production process used by producers in the United States and Indonesia. To calculate depreciation and SG&A, the petitioner relied upon amounts reported in Jakarta Kyoei's 1998 financial statements. For interest

expense, the petitioner used Jakarta Kyoei's 1997 financial statements, explaining that the 1998 interest expenses were unreasonably high as a result of the financial crisis.

Based upon the comparison of the adjusted prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation. *See the Initiation of Cost Investigations* section below.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioner also based NV for sales in Indonesia on CV. The petitioner calculated CV using the same COM, depreciation, SG&A, and interest expense figures used to compute Indonesian home market costs. Consistent with section 773(e)(2) of the Act, the petitioner included in CV an amount for profit. However, the profit amounted to zero because Jakarta Kyoei reported a loss on its 1998 financial statements. *See, e.g., Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Argentina, Brazil, the People's Republic of China, Indonesia, Japan, the Russian Federation, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela*, 64 FR 34194, 34202 (June 25, 1999) (Petitioners added to CV no amount for profit, because the Thai steel producer reported a loss in its 1998 financial statements).

Based upon the comparison of CV to EP, the petitioner has calculated an estimated dumping margin of 71.01 percent.

#### Japan

##### Export Price

The petitioner based EP on a price quote from Kyoei Steel Ltd. (Kyoei), to an unaffiliated U.S. purchaser for two grades and sizes of rebar, and calculated a net U.S. price by deducting foreign inland freight, international freight, U.S. port charges, and customs duties paid.

##### Normal Value

With respect to NV, the petitioner provided a home market price that was obtained from foreign market research for grades and sizes of rebar that are comparable to the products exported to the United States which serve as the basis for EP. The petitioner calculated an ex-factory NV by deducting from the quoted home market price foreign

inland freight and home market credit expense.

Although the petitioner provided a margin based on a price-to-price comparison, it also provided information demonstrating reasonable grounds to believe or suspect that sales of rebar in the home market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of the COM, SG&A, interest expenses, and packing. The petitioner calculated COM based on the consumption rates of a U.S. rebar producer. The petitioner adjusted COM for known differences in the production process used by producers in the United States and Japan. To calculate depreciation, SG&A, and interest expenses, the petitioner relied upon the 1999 financial statements of Tokyo Steel Manufacturing Company (Tokyo Steel) because it was unable to locate public financial statements for Kyoei. Based upon the comparison of the price of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation. *See the Initiation of Cost Investigations* section below.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioner also based NV for sales in Japan on CV. The petitioner calculated CV using the same COM, depreciation, SG&A, and interest expense figures used to compute Japanese home market costs. Pursuant to section 773(e)(2) of the Act, the petitioner included in CV an amount for profit. However, the profit amounted to zero because Tokyo Steel reported a loss on its 1998 financial statement.

Based upon the comparison of CV to EP, the petitioner has calculated an estimated dumping margin of 188.79 percent.

#### Latvia

##### Export Price

The petitioner based EP on a price quote from Liepaja Metalurgs (Liepaja) to an unaffiliated U.S. purchaser for different grades and sizes of rebar, and calculated a net U.S. price by deducting international freight and Latvian and U.S. port charges.

##### Normal Value

The petitioner alleges that Latvia is an NME country, and calculated NV based on the FOP methodology pursuant to section 773(c) of the Act. For the reasons described above for Belarus, Latvia will be treated as an NME unless and until its NME status is revoked.

Given that information regarding Liepaja's consumption rates is not available, NV was calculated using the same methodology described above for Belarus. Further, Thailand was used as the surrogate country. We believe that Thailand is an appropriate surrogate for purposes of initiating this case with respect to Latvia for the same reasons as discussed above with respect to Belarus.

Based on comparisons of EP to NV, the petitioner calculated estimated dumping margins ranging from 45.52 to 58.40 percent.

#### Moldova

##### Export Price

The petitioner based EP on a price quote from Moldova Steel Works (MSW) to an unaffiliated U.S. purchaser for different grades and sizes of rebar, and calculated a net U.S. price by deducting foreign inland freight, international freight, and U.S. port charges.

##### Normal Value

The petitioner alleges that Moldova is an NME country, and constructed NV based on the FOP methodology pursuant to section 773(c) of the Act. For the reasons described above for Belarus, Moldova will be treated as an NME unless and until its NME status is revoked.

Given that information regarding MSW's consumption rates is not available, NV was calculated using the same methodology described above for Belarus, except that Indonesia, rather than Thailand, was used as the surrogate country for valuing the FOP. The petitioners assert that Indonesia is the most appropriate surrogate country for Moldova because Indonesia is: (1) A market economy country; (2) a significant producer of comparable merchandise; and (3) at a level of economic development comparable to Moldova in terms of per capita GNP. Based on the information provided by the petitioner, we believe that the petitioner's use of Indonesia as a surrogate country is appropriate for purposes of initiating 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 from Indonesia. Values for scrap steel and the scrap offset were based on Indonesian

import prices listed in *TradStat Import/Exports Report* for the period October 1999 through March 2000. The values for electricity and gas were obtained from the International Energy Agency's *Energy Prices & Taxes*, Fourth Quarter 1999. Labor was valued using the Department's regression-based wage rate for Moldova, in accordance with 19 CFR 351.408(c)(3).

The petitioner valued other production costs, for which no Indonesian surrogate values were available, using values from the two U.S. producers. All surrogate values which fall outside the POI were adjusted for inflation. To determine depreciation and SG&A, the petitioner applied rates derived from the 1998 financial statements of Jakarta Kyoei, an Indonesian producer of the subject merchandise. For interest expense, the petitioner used Jakarta Kyoei's 1997 financial statements, explaining that the 1998 interest expenses were unreasonably high as a result of the financial crisis. The amount for profit was reported as zero because Jakarta Kyoei reported a loss on its 1998 financial statements. Based on the information provided by the petitioner, we believe that the surrogate values represent information reasonably available to the petitioner and are acceptable for purposes of initiating this investigation.

Based on comparisons of EP to NV, the petitioner calculated an estimated dumping margin of 49.07 percent.

#### *The People's Republic of China*

##### Export Price

The petitioner based EP on a price quote from Laiwu Steel Group Limited (Laiwu) to an unaffiliated U.S. purchaser for different grades and sizes of rebar, and calculated a net U.S. price by deducting international freight, U.S. port charges, and customs duties paid.

##### Normal Value

The petitioner asserts that the PRC is an NME country, and that in all previous investigations the Department has determined that the PRC is an NME. See, e.g., *Natural Bristle Paintbrushes and Brush Heads From the People's Republic of China*, 65 FR 13944, 13946 (March 15, 2000) (preliminary determination). The PRC will be treated as an NME unless and until its NME status is revoked. Pursuant to section 771(18)(C)(i) of the Act, because the PRC's status as an NME remains in effect, the petitioner determined the dumping margin using an NME analysis.

Given that information regarding Laiwu's consumption rates is not available, NV was calculated using the same methodology described above for Moldova. Further, Indonesia was used as the surrogate country. We believe that Indonesia is an appropriate surrogate for purposes of initiating this case with respect to the PRC for the same reasons as discussed above with respect to Moldova.

Based on comparisons of EP to NV, the petitioner calculated an estimated dumping margin of 59.98 percent.

#### *Poland*

##### Export Price

The petitioner based EP on a price quote from Huta Ostrowiec to an unaffiliated U.S. purchaser for different grades and sizes of rebar, and calculated a net U.S. price by deducting foreign inland freight, international freight, and U.S. port charges.

##### Normal Value

With respect to NV, the petitioner provided a home market price that was obtained from foreign market research for a grade and size of rebar that is comparable to those of the products exported to the United States which serve as the basis for EP. The petitioner states that the home market price quotation was FOB mill and did not make any deductions from this price.

Although the petitioner provided a margin based on a price-to-price comparison, it also provided information demonstrating reasonable grounds to believe or suspect that sales of rebar in the home market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of the COM, SG&A, interest expenses, and packing. The petitioner calculated COM based on the average consumption rates of two U.S. rebar producers. The petitioner adjusted COM for known differences in the production process used by producers in the United States and Poland. To calculate depreciation, SG&A, and interest expenses, the petitioner also relied upon its own data because it was unable to locate public financial statements for Huta Ostrowiec. Based upon the comparison of the adjusted prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section

773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation. See the *Initiation of Cost Investigations* section below.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioner also based NV for sales in Poland on CV. The petitioner calculated CV using the same COM, depreciation, SG&A and interest expense figures used to compute Polish home market costs. Consistent with section 773(e)(2) of the Act, the petitioner also added to CV an amount for profit. Petitioner derived profit based upon its own data.

Based upon the comparison of CV to EP, the petitioner calculated an estimated dumping margin of 53.54 percent.

#### *Republic of Korea*

##### Export Price

The petitioner determined EP based on price quotes from Hanbo Iron and Steel Co. Ltd. (Hanbo) and the former Kangwon Industries Ltd. (Kangwon), which has recently been acquired by Incheon Iron & Steel Co. Ltd. (Inchon), to unaffiliated U.S. purchasers for different grades and sizes of rebar. The petitioner calculated a net U.S. price by deducting foreign inland freight, international freight charges, Korean and U.S. port charges, and customs duties paid.

##### Normal Value

With respect to NV, the petitioner provided home market prices that were obtained from foreign market research for grades and sizes of rebar that are comparable to the products exported to the United States which serve as the basis for EP. The petitioner calculated an ex-factory NV by deducting from the quoted home market prices foreign inland freight.

Although the petitioner provided a margin based on a price-to-price comparison, it also provided information demonstrating reasonable grounds to believe or suspect that sales of rebar in the home market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of the COM, SG&A, interest expenses, and packing. The petitioner calculated COM based on the average consumption rates of two U.S. rebar producers. The petitioner adjusted COM for known differences in the production process used by producers in the United States and Korea. To calculate depreciation, SG&A, and

interest expenses the petitioner relied upon the 1998 unconsolidated annual report for Kangwon. Based upon the comparison of the adjusted prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation. See the *Initiation of Cost Investigations* section below.

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioner also based NV for sales in Korea on CV. The petitioner calculated CV using the same COM, depreciation, SG&A and interest expense figures used to compute Korean home market costs. Consistent with section 773(e)(2) of the Act, the petitioner also added to CV an amount for profit, using data from Incheon's 1998 financial statements because Kangwon had no profit in 1998.

Based upon the comparison of CV to EP, the petitioner calculated estimated dumping margins of 86.69 percent and 102.28 percent.

#### *The Russian Federation*

##### Export Price

The petitioner based EP on a price quote from Kuznetskiy Met Kombinat (KMK) to an unaffiliated U.S. purchaser for different grades and sizes of rebar, and given that the terms of this price quote were FOB mill, no deductions to the price quotation were made.

##### Normal Value

The petitioner asserts that the Russia is an NME country, and that in all previous investigations the Department has determined that Russia is an NME. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value; Solid Fertilizer Grade Ammonium Nitrate from the Russian Federation*, 65 FR 42669, 42670–71 (July 11, 2000) (final determination). Russia will be treated as an NME unless and until its NME status is revoked. Pursuant to section 771(18)(C)(i) of the Act, because Russia's status as an NME remains in effect, the petitioner determined the dumping margin using an NME analysis.

Given that information regarding KMK's consumption rates is not available, NV was calculated using the same methodology described above for Belarus. Further, Thailand was used as the surrogate country. We believe that Thailand is an appropriate surrogate for purposes of initiating this case with

respect to Russia for the same reasons as discussed above with respect to Belarus.

Based on comparisons of EP to NV, the petitioner calculated an estimated dumping margin of 68.87 percent.

#### *Ukraine*

##### Export Price

The petitioner based EP on a price quote from Krivoi Rog State Mining & Metal Works (Krivoi Rog) to an unaffiliated U.S. purchaser for different grades and sizes of rebar, and calculated a net U.S. price by deducting foreign inland freight, international freight, U.S. port costs, and customs duties paid.

##### Normal Value

The petitioner alleges that Ukraine is an NME country, and in all previous investigations, the Department has determined that Ukraine is an NME. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From Ukraine*, 62 FR 61754 (November 19, 1997). Ukraine will be treated as an NME unless and until its NME status is revoked. Pursuant to section 771(18)(C)(i) of the Act, because Ukraine's status as an NME remains in effect, the petitioner determined the dumping margin using an NME analysis.

Given that information regarding Krivoi Rog's consumption rates is not available, NV was calculated using the same methodology described above for Moldova. Further, Indonesia was used as the surrogate country. We believe that Indonesia is an appropriate surrogate for purposes of initiating this case with respect to Ukraine for the same reasons discussed above with respect to Moldova.

Based on comparisons of EP to NV, the petitioner calculated an estimated dumping margin of 41.69 percent.

#### *Venezuela*

##### Export Price

The petitioner based EP on a price quote from Siderurgica del Turbio SA (Siderur) to an unaffiliated U.S. purchaser for different grades and sizes of rebar, and calculated a net U.S. price by deducting foreign inland freight, international freight, and Venezuelan and U.S. port charges.

##### Normal Value

With respect to NV, the petitioner provided a home market price obtained from foreign market research for grades and sizes of rebar comparable to the products exported to the United States which serve as the basis for EP. The petitioner calculated an ex-factory NV

by deducting from the quoted home market price movement related charges associated with delivering the merchandise to the Venezuelan customers.

Based upon the comparison of NV to EP, the petitioner calculated an estimated dumping margin of 125.49 percent.

#### **Initiation of Cost Investigations**

As noted above, pursuant to section 773(b) of the Act, the petitioner provided information demonstrating reasonable grounds to believe or suspect that sales in the home markets of Indonesia, Japan, Korea, and Poland were made at prices below the fully absorbed COP and, accordingly, requested that the Department conduct country-wide sales-below-COP investigations in connection with the requested antidumping investigations for these countries. The Statement of Administrative Action (SAA), submitted to the U.S. Congress in connection with the interpretation and application of the URAA, states that an allegation of sales below COP need not be specific to individual exporters or producers. SAA, H.R. Doc. No. 316 at 833 (1994). The SAA, at 833, states 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."

Further, the SAA provides that "new section 773(b)(2)(A) retains the current requirement that Commerce 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." *Id.* Based upon the comparison of the adjusted prices from the petition for the representative foreign like products to their COPs, we find the existence of "reasonable grounds to believe or suspect" that sales of these foreign like products in markets of Indonesia, Japan, Korea, and Poland were made below their respective COPs within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating the requested country-wide cost investigations.

#### **Critical Circumstances**

The petitioner has alleged that the Department should make an expedited

finding that critical circumstances exist with regard to imports of rebar from the PRC, Korea, Latvia, and Poland, and has supported its allegations with the following information.

First, the petitioner claims that the importers knew, or should have known, that the rebar was being sold at less than NV. Specifically, the petitioner alleges that the margins calculated in the petition for each of the four countries exceed the 25 percent threshold used by the Department to impute importer knowledge of dumping. Moreover, with regard to Korea and Latvia, the petitioner notes that exports of rebar from these countries have been subject to recent antidumping duties imposed by countries other than the United States.

The petitioner also has alleged that imports from these four countries have been massive over a relatively short period. Alleging that there was sufficient pre-filing notice of these antidumping petitions, the petitioner contends that for purposes of this determination, the Department should compare imports during September to December 1999 to imports during January to April 2000.<sup>6</sup> As explained in section 351.206(i) of our regulations, "the Secretary normally will consider a 'relatively short period' as the period beginning on the date the proceeding begins and ending at least three months later. However, if the Secretary finds that importers, or 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 period of not less than three months from that earlier time."

The petitioner supported its claim that an earlier comparison period should be used with citations from a December 7, 1999, news article discussing the formation of a U.S. industry coalition and the likelihood of filing of antidumping petitions against producers of rebar. Additionally, in a petition amendment/supplement filed July 13, 2000, the petitioner provided several additional articles published prior to the petition filing that specifically referenced the volume of rebar exports from these four countries.

In the past, the Department concluded that a high level of press coverage provided foreign producers of rebar with prior knowledge of pending antidumping investigations. *See e.g., Initiation of Antidumping Duty*

*Investigations: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Argentina, Brazil, the People's Republic of China, Indonesia, Japan, the Russian Federation, Slovakia, South Africa, Taiwan, Thailand, Turkey, and Venezuela*, 63 FR 34194, 34203 (June 25, 1999). Therefore, the Department considered import statistics contained in the petition for the periods September–December 1999 and January–April 2000 for Korea, Latvia and Poland, and the periods of August–December 1999 and January–May 2000 for the PRC. Based on this comparison, imports of rebar from the PRC increased by 130 percent, imports from Korea increased by 17 percent, imports from Latvia increased by 42.4 percent, and imports from Poland increased from zero imports to over forty thousand metric tons, an unquantifiable percentage.<sup>7</sup>

The Department also considers the extent of the increase in the volume of imports of the subject merchandise as one indicator of whether a reasonable basis exists to impute knowledge that material injury was likely. In the cases involving the PRC, Korea, Latvia and Poland, the increases in imports were in excess of fifteen percent, the amount considered "massive" by the Department. Taking into consideration the foregoing, we find that the petitioner has supported its claim of critical circumstances with information reasonably available for purposes of initiating a critical circumstances inquiry. For these reasons, we will investigate this matter further and will make a preliminary determination at the appropriate time, in accordance with section 735(e)(1) of the Act and the Department's practice (see Policy Bulletin 98/4 (63 FR 55364, October 15, 1998)).

#### Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of rebar from Austria, Belarus, Indonesia, Japan, Korea, Latvia, Moldova, the PRC, Poland, Russia, Ukraine, and Venezuela 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 rebar, and the petitioner's responses to our supplemental questionnaire clarifying the petitions, as well as our conversations with foreign market researchers and other experts who provided information concerning various aspects of the petitions, we have found that they meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of rebar from Austria, Belarus, Indonesia, Japan, Korea, Latvia, Moldova, the PRC, Poland, Russia, Ukraine, and Venezuela 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 the governments of Austria, Belarus, Indonesia, Japan, Korea, Latvia, Moldova, the PRC, Poland, Russia, Ukraine, and Venezuela. 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 August 14, 2000, whether there is a reasonable indication that imports of certain rebar products from Austria, Belarus, Indonesia, Japan, Korea, Latvia, Moldova, the PRC, Poland, Russia,

<sup>6</sup> For the PRC, the petitioner compared imports from the five-month period of August to December 1999, and January to May 2000, in order to include a significant May shipment of rebar in its analysis.

<sup>7</sup> In the period of September to December 1999, there were no imports of rebar from Poland.



Ukraine, and Venezuela 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 issued and published pursuant to section 777(i) of the Act.

Dated: July 18, 2000.

**Troy H. Cribb,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-18809 Filed 7-24-00; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

#### Export Trade Certificate of Review

**ACTION:** Notice of Application to Amend an Export Trade Certificate of Review.

**SUMMARY:** The Office of Export Trading Company Affairs ("OETCA"), International Trade Administration, Department of Commerce, has received an application to amend an Export Trade Certificate of Review ("Certificate"). This notice summarizes the proposed amendment and requests comments relevant to whether the Certificate should be issued.

**FOR FURTHER INFORMATION CONTACT:** Morton Schnabel, Director, Office of Export Trading Company Affairs, International Trade Administration, (202) 482-5131 (this is not a toll-free number) or E-mail at oetca@ita.doc.gov.

**SUPPLEMENTARY INFORMATION:** Title III of the Export Trading Company Act of 1982 (15 U.S.C. 4001-21) authorizes the Secretary of Commerce to issue Export Trade Certificates of Review. An Export Trade Certificate of Review protects the holder and the members identified in the Certificate from state and federal government antitrust actions and from private treble damage antitrust actions for the export conduct specified in the Certificate and carried out in compliance with its terms and conditions. Section 302(b)(1) of the Export Trading Company Act of 1982 and 15 CFR 325.6(a) require the Secretary to publish a notice in the **Federal Register** identifying the applicant and summarizing its proposed export conduct.

#### Request for Public Comments

Interested parties may submit written comments relevant to the determination whether an amended Certificate should

be issued. If the comments include any privileged or confidential business information, it must be clearly marked and a nonconfidential version of the comments (identified as such) should be included. Any comments not marked privileged or confidential business information will be deemed to be nonconfidential. An original and five (5) copies, plus two (2) copies of the nonconfidential version, should be submitted no later than 20 days after the date of this notice to: Office of Export Trading Company Affairs, International Trade Administration, Department of Commerce, Room 1104H, Washington, D.C. 20230. Information submitted by any person is exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552). However, nonconfidential versions of the comments will be made available to the applicant if necessary for determining whether or not to issue the Certificate. Comments should refer to this application as "Export Trade Certificate of Review, application number 84-11A12."

Northwest Fruit Exporters' ("NFE") original Certificate was issued on June 11, 1984 (49 FR 24581, June 14, 1984) and previously amended on May 2, 1988 (53 FR 16306, May 6, 1988); September 21, 1988 (53 FR 37628, September 27, 1988); September 20, 1989 (54 FR 39454, September 26, 1989); November 19, 1992 (57 FR 55510, November 25, 1992); August 16, 1994 (59 FR 43093, August 22, 1994); November 4, 1996 (61 FR 57850, November 8, 1996); October 22, 1997 (62 FR 55783, October 28, 1997); November 2, 1998 (63 FR 60304, November 9, 1998); and October 20, 1999 (64 FR 57438, October 25, 1999). A summary of the application for an amendment follows.

#### Summary of the Application

*Applicant:* Northwest Fruit Exporters, 105 South 18th Street, Suite 227, Yakima, Washington 98901.

*Contact:* James R. Archer, Manager, Telephone: (509) 576-8004.

*Application No.:* 84-11A12.

*Date Deemed Submitted:* July 18, 2000.

*Proposed Amendment:* Northwest Fruit Exporters seeks to amend its Certificate to:

1. Add each of the following companies as a new "Member" of the Certificate within the meaning of section 325.2(1) of the Regulations (15 CFR 325.2(1)): Apple Country, Inc., Wapato, Washington; Cashmere Fruit Exchange, Cashmere, Washington; Dole Northwest, Wenatchee, Washington; IM EX Trading Company, Yakima,

Washington; Inland—Joseph Fruit Company, Wapato, Washington; (controlling entity: Inland Fruit & Produce Co., Inc.); PAC Marketing International, LLC, Yakima, Washington; Sage Marketing LLC, Yakima, Washington (controlling entities: Olympic Fruit, Columbia Reach and Valley Fruit); Voelker Fruit & Cold Storage, Inc., Yakima, Washington; and Washington Export, LLC, Yakima, Washington;

2. Delete the following companies as "Members" of the Certificate: Crandell Fruit Company, Wenatchee, Washington; George F. Joseph Orchard, Yakima, Washington; Gwin, White & Prince, Inc., Wenatchee, Washington; H & H Orchards Packing, Inc., Malaga, Washington; Inland Fruit & Produce Co., Wapato, Washington; Johnny Appleseed of WA/CRO Fruit Co., Wenatchee, Washington, Majestic Valley Produce, Wenatchee, Washington; and Valicoff Fruit Company, Inc., Wapato, Washington; and

3. Change the listing of the company name for the current Member "Blue Bird, Inc." to the new listing "Washington Cherry Growers".

Dated: July 19, 2000.

**Morton Schnabel,**

*Director, Office of Export Trading Company Affairs.*

[FR Doc. 00-18737 Filed 7-24-00; 8:45 am]

BILLING CODE 3510-DR-P

## DEPARTMENT OF COMMERCE

### National Institute of Standards and Technology

#### Announcing a Workshop on Modes of Operation for Symmetric Key Block Cipher Algorithms

**AGENCY:** National Institute of Standards and Technology, Doc.

**ACTION:** Notice of public workshop; request for comments.

**SUMMARY:** The National Institute of Standards and Technology (NIST) announces a workshop to discuss modes of operation for the protection of data using a symmetric key block cipher algorithm. The results of this workshop will be used by NIST in development a draft modes of operation standard for symmetric key block cipher algorithms. Comments and papers are encouraged prior to the workshop to propose, define, and justify any modes that are appropriate for NIST to include in such a standard. These comments and papers should be addressed to EncryptionModes@nist.gov.