

government procurement agreements to which a foreign country is a party, its compliance with those agreements, and any other information related to the factors set forth in Parts I and II of Executive Order 13116 for identification of priority foreign country practices and countries that engage in discriminatory government procurement practices.

Interested persons must provide twenty copies of any submission, in English, to Sybia Harrison, Staff Assistant to Section 301 Committee, Office of the United States Trade Representative, by noon on February 25, 2000. Because submissions will be placed in a public file, open to public inspection at USTR, business-confidential information should not be submitted. Inspection is only by appointment with the staff of the USTR Public Reading Room and can be arranged by calling Brenda Webb at (202) 395-6186. The Reading Room is open to the public from 9:30 a.m. to 12 noon, and from 1 p.m. to 4 p.m., Monday through Friday.

**A. Jane Bradley,**

*Assistant U.S. Trade Representative for Monitoring and Enforcement.*

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## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket No. WTO/DS-179]

### WTO Dispute Settlement Proceeding Regarding U.S. Antidumping Duties on Stainless Steel Plate in Coils and Stainless Steel Sheet and Strip in Coils From Korea

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice; request for comments.

**SUMMARY:** Pursuant to section 127(b)(1) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3537(b)(1)), the Office of the United States Trade Representative (USTR) is providing notice that the government of Korea has requested the establishment of a dispute settlement panel under the Marrakesh Agreement Establishing the World Trade Organization (WTO) to examine the imposition by the United States of antidumping duties on stainless steel plate in coils (SSPC) and on stainless steel sheet and strip in coils (SSSS) from Korea. Specifically, on March 31, 1999, the Department of Commerce made a final affirmative antidumping determination with respect to imports of SSPC from Korea. 64 FR 15444 (March 31, 1999). This determination resulted

in issuance of an antidumping duty order on SSPC from Korea. 64 FR 27756 (May 21, 1999). Further, on June 8, 1999, the Department of Commerce made a final affirmative antidumping determination with respect to imports of SSPC from Korea. 64 FR 30664 (June 8, 1999). This determination resulted in issuance of an antidumping duty order on SSSS from Korea. 64 FR 30555 (July 27, 1999). These determinations raised identical methodological issues with respect to certain aspects of the calculation of the level of dumping by a Korean producer.

**DATES:** Although USTR will accept any comments received during the course of the dispute settlement proceedings, comments should be submitted on or before March 1, 2000, to be assured of timely consideration by USTR in preparing its first written submission to the panel.

**ADDRESSES:** Comments may be submitted to Sandy McKinzy, Litigation Assistant, Office of Monitoring and Enforcement, Room 122 Attn: Korea Stainless Steel Dispute, Office of the U.S. Trade Representative, 600 17th Street, NW, Washington, DC 20508.

**FOR FURTHER INFORMATION CONTACT:** Rhonda K. Schnare, Office of the General Counsel (202) 395-3582.

**SUPPLEMENTARY INFORMATION:** By letter dated October 14, 1999, the Government of Korea requested the establishment of a panel to examine the Department of Commerce's final affirmative determinations of dumping resulting in antidumping duty orders on SSPC and SSSS from Korea. At its meeting on November 19, 1999, the WTO Dispute Settlement Body (DSB) established such a panel. Under normal circumstances, the panel, which will hold its meetings in Geneva, Switzerland, would be expected to issue a report detailing its findings and recommendations within six to nine months after it is established.

### Major Issues Raised by the Government of Korea and Legal Basis of Complaint

In its request for the establishment of a panel, the Government of Korea has identified as the measures at issue (1) the antidumping duty order concerning SSPC from Korea (64 FR 27756 (May 21, 1999)) and the underlying determination of sales at less than fair value; and (2) the antidumping duty order concerning SSPC from Korea (64 FR 30555 (July 27, 1999)) and the underlying determination of sales at less than fair value. The Government of Korea alleges that these measures are inconsistent with several provisions of the General Agreement on Tariffs and Trade 1994 ("GATT 1994") and the

Agreement on Implementation of Article VI of GATT 1994 ("Anti-Dumping Agreement"), including the following specific allegations:

- Commerce's decision to treat as a bad debt expense certain sales of SSPC and SSSS to a customer who subsequently went bankrupt was inconsistent with Article 2.4 of the Anti-Dumping Agreement because the lack of payment did not constitute a "difference in the conditions and terms of sale," "demonstrated to affect price comparability." Thus, Commerce failed to make a "fair comparison" as required by article 2.4 of the Anti-Dumping Agreement;

- Sales for which payment was not received cannot be regarded as sales "in the ordinary course of trade" and thus Commerce's inclusion of such sales in its calculation was inconsistent with Article 2.1 of the Anti-Dumping Agreement;

- Commerce's use of the Korean won amount paid for merchandise sold to customers in Korea, rather than the U.S. dollar amount shown on the invoice, and the subsequent conversion of the won amount into U.S. dollars, distorted the basis of the price comparison in a manner inconsistent with the "fair comparison" requirement under Article 2.4 of the Anti-Dumping Agreement;

- Commerce's division of the period of investigation into two sub-periods, and calculation of separate weighted-average normal values and export prices for each sub-period was inconsistent with the requirement of a single weighted-average normal value and export price under Article 2.4.2 of the Anti-Dumping Agreement, and thus failed to result in a "fair comparison" as required by Article 2.4 of the Anti-Dumping Agreement;

- Commerce's division of the period of investigation into two sub-periods in the final determination, which it had not done in the preliminary determination, resulted in a failure to disclose an "essential fact" as required by Article 6.9 of the Anti-Dumping Agreement, and depriving the parties of "full" and "ample opportunity" to defend their interests as required by Articles 6.1 and 6.2 of the Anti-Dumping Agreement;

- Commerce's division of the period of investigation into two sub-periods was done in response to a devaluation in the Korean won, whereas Article 2.4.1 of the Anti-Dumping Agreement only permits alteration of the calculation methodology in response to an appreciation of a foreign currency against the U.S. dollar, and thus failed to result in a "fair comparison" as

required by Article 2.4 of the Anti-Dumping Agreement;

- The determinations with respect to SSPC and SSSS are inconsistent with past Commerce practice and decisions of U.S. courts in various respects, and thus failed to result in a "fair comparison" as required by Article 2.4 of the Anti-Dumping Agreement;
- The determinations with respect to SSPC and SSSS failed to set forth "in sufficient detail the findings and conclusions on all issues of fact and law" and to provide "all relevant information on the matters of fact and law and reasons which have led to the imposition of final measures" as required by Articles 12.2 and 12.2.2 of the Anti-Dumping Agreement;
- For the above reasons, the measures are applied pursuant to investigations which were not conducted in accordance with the provisions of the Anti-Dumping Agreement as required by Article 1 of the Anti-Dumping Agreement and Article VI of the GATT 1994;
- For the above reasons, Commerce did not administer the antidumping laws in a "uniform, impartial and reasonable manner," as required by Article X:3 of GATT 1994.

#### **Public Comment: Requirements for Submissions**

Interested persons are invited to submit written comments concerning the issues raised in this dispute. Comments must be in English and provided in fifteen copies to Sandy McKinzy at the address provided above. A person requesting that information contained in a comment submitted by that person be treated as confidential business information must certify that such information is business confidential and would not customarily be released to the public by the submitting person. Confidential business information must be clearly marked "BUSINESS CONFIDENTIAL" in a contrasting color ink at the top of each page of each copy.

Information or advice contained in a comment submitted, other than business confidential information, may be determined by USTR to be confidential in accordance with section 135(g)(2) of the Trade Act of 1974 (19 U.S.C. 2155(g)(2)). If the submitter believes that information or advice may qualify as such, the submitter—

- (1) Must so designate that information or advice;
- (2) Must clearly mark the material as "SUBMITTED IN CONFIDENCE" in a contrasting color ink at the top of each page of each copy; and

(3) Is encouraged to provide a non-confidential summary of the information or advice.

Pursuant to section 127(e) of the URAA (19 U.S.C. 3537(e)), USTR will maintain a file on this dispute settlement proceeding, accessible to the public, in the USTR Reading Room: Room 101, Office of the United States Trade Representative, 600 17th Street, NW, Washington, DC 20508. The public file will include a listing of any comments received by USTR from the public with respect to the proceeding; the U.S. submissions to the panel in the proceeding; the submissions, or non-confidential summaries of submissions, to the panel received from other participants in the dispute, as well as the report of the dispute settlement panel and, if applicable, the report of the Appellate Body. An appointment to review the public file (Docket WTO/DS 179 ("U.S.-Anti-Dumping Duties on Stainless Steel Plate in Coils and Stainless Steel Sheet and Strip in Coils from Korea")) may be made by calling Brenda Webb, (202) 395-6186. The USTR Reading Room is open to the public from 9:30 a.m. to 12 noon and 1 p.m. to 4 p.m., Monday through Friday.

**A. Jane Bradley,**

*Assistant U.S. Trade Representative for Monitoring and Enforcement.*

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## **DEPARTMENT OF TRANSPORTATION**

### **National Highway Traffic Safety Administration**

**[Docket No. NHTSA-2000-6729; Notice 1]**

#### **Kolcraft Enterprises, Inc.; Receipt of Application for Decision of Inconsequential Noncompliance**

Kolcraft Enterprises of Chicago, Illinois, has determined that 27,624 child restraint systems fail to comply with Federal Motor Vehicle Safety Standard (FMVSS) No. 213, "Child Restraint Systems," and has filed an appropriate report pursuant to 49 CFR Part 573, "Defects and Noncompliance Reports." Kolcraft has also applied to be exempted from the notification and remedy requirements of 49 U.S.C. Chapter 301—"Motor Vehicle Safety" on the basis that the noncompliance is inconsequential to motor vehicle safety.

This notice of receipt of an application is published under 49 U.S.C. 30118 and 30120 and does not represent any agency decision or other exercise of judgement concerning the merits of the petition.

FMVSS No. 213, S5.5.2(j) requires each child restraint system equipped with an anchorage strap to include the following statement on a permanent label:

Secure the top anchorage strap provided with this child restraint as specified in the manufacturer's instructions.

Kolcraft has determined that certain child restraints it manufactured have been shipped without the label required by S5.5.2(j). The child restraints containing the noncompliance are Performa and Automate model convertible child restraints equipped with tether straps that were both manufactured and shipped before November 19, 1999. Kolcraft has shipped 27,484 Performas and 140 Automates with tether straps and without the statement required by the standard. When Kolcraft discovered the noncompliance, it stopped shipment until the restraints in inventory could be labeled with the required statement. Thus, some restraints that were manufactured before November 19, 1999 are in compliance because they were labeled before shipment at the plant.

Kolcraft supports its application for inconsequential noncompliance with the following:

Kolcraft inadvertently overlooked this provision when it was redesigning its restraints to include anchorage straps, because Kolcraft relied on the changes made in the March 5, 1999 final rule regarding tether anchorage straps to identify the changed performance requirements. Since S5.5.2(j) was already in the standard, and not changed by the March 5, 1999 final rule, the labeling requirement was overlooked by Kolcraft until a routine compliance verification test identified the missing language.

Kolcraft did, however, permanently label the tether anchorage strap itself on all of the affected restraints with language warning of the safety risk of improper installation. The label reads: "Failure to properly adjust and secure tether to correctly installed tether anchor can result in serious injury or death. Only use with a vehicle tether anchor installed by dealer or factory." And, the instruction manual of each affected restraint includes full instructions for proper tether attachment.

Kolcraft believes that the noncompliance here should be found to be inconsequential because the safety goal of the labeling requirement has been satisfied by the language on the tether strap itself. Any person attempting to attach a tether strap to an anchorage will see the language emphasizing the need for proper installation, because the language is permanently labeled on the strap itself.

Kolcraft does not question the value of notifying consumers to check the instruction manual. Under these circumstances, however, where the substance of the notification requirement is achieved, located