

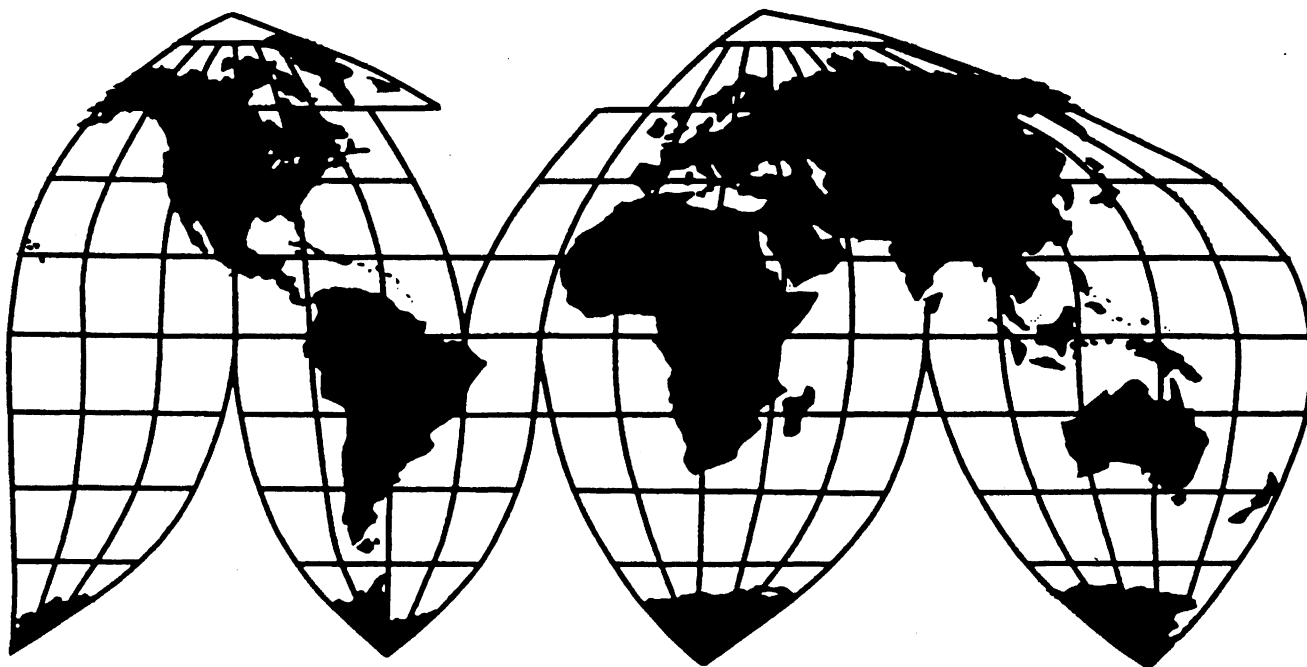
# **Certain Steel Concrete Reinforcing Bars From Belarus, China, Korea, Latvia, and Moldova**

Investigations Nos. 731-TA-873-874 and 877-879 (Final)

**Publication 3440**

**July 2001**

**U.S. International Trade Commission**



# U.S. International Trade Commission

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# **U.S. International Trade Commission**

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## **Certain Steel Concrete Reinforcing Bars From Belarus, China, Korea, Latvia, and Moldova**



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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by astericks.



# UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-873-874 and 877-879 (Final)

## CERTAIN STEEL CONCRETE REINFORCING BARS FROM BELARUS, CHINA, KOREA, LATVIA, AND MOLDOVA

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject investigations, the United States International Trade Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from Belarus, Korea, Latvia, and Moldova, and that an industry in the United States is threatened with material injury by reason of imports from China, of certain steel concrete reinforcing bars,<sup>2 3</sup> provided for in subheading 7214.20.00 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).

### BACKGROUND

The Commission instituted these investigations effective June 28, 2000, following receipt of petitions filed with the Commission and Commerce by the Rebar Trade Action Coalition (RTAC) (Washington, DC) and its individual members.<sup>4</sup> The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of certain steel concrete reinforcing bars from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C.

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<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

<sup>2</sup> Chairman Stephen Koplán, Vice Chairman Deanna Tanner Okun, and Commissioner Lynn M. Bragg determine that a regional industry in the United States is materially injured by reason of imports from Belarus, Korea, Latvia, and Moldova of certain steel concrete reinforcing bars. Chairman Koplán and Vice Chairman Okun also determine that a regional industry in the United States is threatened with material injury by reason of imports from China of the subject merchandise. Commissioner Bragg determines that a regional industry in the United States is materially injured by reason of imports from China of certain steel concrete reinforcing bars. The defined region consists of all the states east of the Mississippi plus Arkansas, Louisiana, Missouri, and Texas, as well as the District of Columbia and Puerto Rico. Commissioner Marcia E. Miller, Commissioner Jennifer A. Hillman, and Commissioner Dennis M. Devaney determine that an industry in the United States is materially injured by reason of imports from Belarus, Korea, Latvia, and Moldova of certain steel concrete reinforcing bars and that an industry in the United States is threatened with material injury by reason of imports from China of the subject merchandise.

<sup>3</sup> The Commission determines that critical circumstances do not exist with respect to subject imports from China and Korea.

<sup>4</sup> The individual members of RTAC on whose behalf the petitions were filed are as follows: AmeriSteel (Tampa, FL); Auburn Steel Co., Inc. (Auburn, NY); Birmingham Steel Corp. (Birmingham, AL); Border Steel, Inc. (El Paso, TX); CMC Steel Group (Seguin, TX); Marion Steel Co. (Marion, OH); Nucor Steel (Darlington, SC); and Riverview Steel (Glassport, PA).

§ 1673b(b)).<sup>5</sup> Notice of the scheduling of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of February 14, 2001 (66 FR 10317). The hearing was held in Washington, DC, on April 5, 2001, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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<sup>5</sup> On May 15, 2001, the Commission made affirmative determinations of material injury with respect to imports from Indonesia, Poland, and Ukraine of certain steel concrete reinforcing bars (see *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Investigations Nos. 731-TA-875, 880, and 882 (Final)*, USITC Pub. 3425, May 2001).



## IEWS OF THE COMMISSION

Based on the record in these investigations, Chairman Koplan and Vice Chairman Okun determine that a regional industry producing concrete steel reinforcing bars (“rebar”) is materially injured by reason of subject imports from Belarus, Korea, Latvia, and Moldova that are sold in the United States at less than fair value (“LTFV”). With respect to China, Chairman Koplan and Vice Chairman Okun find that a regional industry is threatened with material injury by reason of subject imports from China that are sold in the United States at LTFV. Commissioner Bragg determines that a regional industry in the United States is materially injured by reason of subject imports from Belarus, China, Korea, Latvia, and Moldova that are sold in the United States at LTFV. Commissioners Miller, Hillman, and Devaney determine that a domestic industry producing rebar in the United States is materially injured by reason of subject imports from Belarus, Korea, Latvia, and Moldova that are sold in the United States at LTFV. Commissioners Miller, Hillman, and Devaney also determine that a domestic industry in the United States is threatened with material injury by reason of subject imports from China that are sold in the United States at LTFV. Finally, the Commission determines that critical circumstances do not exist with respect to those subject imports from China and Korea subject to affirmative critical circumstances findings.

On June 30, 2000, petitions were filed regarding subject imports from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela. In the preliminary determinations, the Commission terminated its investigations with respect to Austria, Japan, Russia, and Venezuela.<sup>1</sup> On April 11, 2001, Commerce issued its final determinations with respect to Indonesia, Poland, and Ukraine,<sup>2</sup> and the Commission made affirmative determinations with respect to those countries on May 15, 2001.

For the remainder of these views, Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg’s views based on a regional industry analysis are presented first, followed by Commissioners Miller, Hillman, and Devaney’s views based on a national industry analysis.

### IEWS OF CHAIRMAN KOPLAN, VICE CHAIRMAN OKUN, AND COMMISSIONER BRAGG

As noted above, the instant investigations arose out of a group of simultaneously filed petitions that also included the petitions for our recently completed investigations of rebar from Indonesia, Poland, and Ukraine.<sup>3</sup> In our determinations with respect to Indonesia, Poland, and Ukraine, we cumulated the volume and price effects of the subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.<sup>4</sup> Under Section 771(7)(G)(iii) of the Tariff Act of 1930,<sup>5</sup> as amended (“the Act”), we are required to make our material injury determinations in the instant investigations on the same record as that of the determinations regarding subject imports from Indonesia, Poland, and Ukraine,

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<sup>1</sup> In its preliminary investigations the Commission conducted a regional industry analysis as proposed by the petitioners. In so doing, the Commission found that subject imports from Japan were not sufficiently concentrated in the region and therefore rendered a negative determination. The Commission also found that the imports of rebar from Austria, Russia, and Venezuela were negligible. Preliminary Determination at 3. (Commissioner Bragg dissenting with respect to Austria, Japan, Russia, and Venezuela.)

<sup>2</sup> 66 Fed. Reg. 18753 (Apr. 11, 2001).

<sup>3</sup> Certain Steel Concrete Reinforcing Bars From Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final) USITC Pub. No. 3425 (May 2001). (“USITC Pub. 3425”).

<sup>4</sup> Commissioner Bragg engaged in a cumulated analysis of the volume and price effects of subject imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.

<sup>5</sup> 19 U.S.C. § 1677(7)(G)(iii).

except that the record in these investigations also includes Commerce's final determinations and parties' final comments. The record in these investigations is otherwise identical to that in the investigations regarding imports from Indonesia, Poland, and Ukraine with respect to domestic like product, regional industry,<sup>6</sup> negligibility, cumulation, and material injury. Therefore, in these investigations, we adopt the findings and analysis in our determinations regarding imports from Indonesia, Poland, and Ukraine for the like product, domestic industry, cumulation, material injury, and captive production.

With respect to the material injury analysis, we note that Commerce modified the dumping margins somewhat from its preliminary determinations. These changes to the margins do not alter our conclusions that a regional industry is materially injured by reason of the cumulated subject imports.<sup>7</sup>

Accordingly, we determine that a regional industry in the United States is materially injured by reason of subject imports from Belarus, Korea, Latvia, and Moldova for the reasons set forth in our determinations with respect to imports from Indonesia, Poland, and Ukraine.<sup>8</sup> Our determination with respect to China is set forth below.

## I. NEGLIGENCE

The statute provides that imports from a subject country corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.<sup>9</sup> By operation of law, a finding of negligibility terminates the Commission's investigations with respect to such imports.<sup>10</sup> The Commission is authorized to make "reasonable estimates on the basis of available statistics" of pertinent import levels for purposes of deciding negligibility.<sup>11</sup>

The statute also provides that, even if imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the

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<sup>6</sup> In our determinations regarding subject imports from Indonesia, Poland, and Ukraine, we found a regional industry for rebar, which included 30 contiguous states from New England to Texas and from the Gulf of Mexico north on both sides of the Mississippi up to the Canadian border, plus the District of Columbia and Puerto Rico. The thirty states included in the region were Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Virginia, Maryland, West Virginia, North Carolina, South Carolina, Georgia, Florida, Mississippi, Alabama, Tennessee, Kentucky, Ohio, Indiana, Illinois, Wisconsin, Michigan, Missouri, Arkansas, Louisiana, and Texas. USITC Pub. 3425 at 7.

<sup>7</sup> Commerce's final antidumping duty margins are as follows: Belarus-114.53 percent; Latvia-17.21 percent; Moldova, 232.86 percent; China, 133.00 percent; and Korea, Dongkuk Steel Mill Co., Ltd., 22.89 percent, Hanbo Iron & Steel Co., Ltd., 102.28 percent, and all others, 22.89 percent. Commerce's Final Determinations Regarding Belarus, Latvia, Moldova, the People's Republic of China, and the Republic of Korea. 66 Fed. Reg. 33524 (June 22, 2001).

<sup>8</sup> As set forth in the final determinations regarding subject imports from Indonesia, Poland, and Ukraine, Commissioner Bragg finds that subject imports from China are not negligible. She therefore included subject imports from China in her cumulative analysis in those proceedings, and does so again for purposes of these final determinations regarding subject imports from Belarus, China, Korea, Latvia, and Moldova. Accordingly, Commissioner Bragg determines that a regional industry in the United States is materially injured by reason of subject imports from Belarus, China, Korea, Latvia, and Moldova.

<sup>9</sup> 19 U.S.C. § 1677(24)(A)(i)(I).

<sup>10</sup> 19 U.S.C. § 1671b(a)(1), 19 U.S.C. § 1673b(a)(1).

<sup>11</sup> 19 U.S.C. § 1677(24)(C); see also The Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103-316, Vol. 1 at 856 (1994) ("SAA").

Commission determine that there is a potential that imports from the country concerned will imminently account for more than 3 percent of all such merchandise imported into the United States, or that there is a potential that the aggregate volumes of imports from the several countries with negligible imports will imminently exceed 7 percent of all such merchandise imported into the United States.<sup>12</sup>

In addition, when the Commission makes a regional industry determination, the statute provides that its negligibility analysis “shall be based upon the volume of subject merchandise exported for sale in the regional market in lieu of the volume of all subject merchandise imported into the United States.”<sup>13 14</sup>

In the final determinations on Indonesia, Poland, and Ukraine, we determined that although the subject imports from China exported for sale into the region were less than the 3-percent threshold, because Commerce had not made its final determination with respect to China, we did not determine whether imports from China would imminently exceed 3 percent of such merchandise exported for sale into the region.<sup>15 16</sup>

We find that there is a potential that subject imports from China will imminently account for more than 3 percent of all such merchandise exported for sale into the region, and therefore we do not treat such imports as being negligible for purposes of an analysis of threat of material injury. Although subject imports were below the 3-percent threshold for the twelve months preceding the filing of the petition, imports from China into the region rose significantly at the end of the period of investigation, increasing from 17,417 short tons in 1999 to 123,217 short tons in 2000.<sup>17</sup> Subject imports from China in calendar year 2000 accounted for \*\*\* percent of the total imports into the region. We find it likely that imports from China will remain above 3 percent of total imports into the region. There is considerable production capacity in China. In 2000, rebar production in China was estimated to be 29,450,386 short tons,<sup>18</sup> which was almost six times apparent consumption in the region during the same year.<sup>19</sup> Moreover, over the period examined, Chinese exports to all countries increased, albeit unevenly, by more than 63 percent, suggesting an increased emphasis on exports.<sup>20</sup>

We therefore find that there is a potential that subject imports from China will imminently exceed the 3-percent threshold. Accordingly, we consider below whether a regional industry is threatened with material injury by reason of subject imports from China.

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<sup>12</sup> 19 U.S.C. § 1677(24)(A)(iv).

<sup>13</sup> 19 U.S.C. § 1677(24)(D).

<sup>14</sup> Commissioner Bragg does not join the remainder of this section or Section II of this opinion. As set forth in detail at footnote 49 in the determinations regarding subject imports from Indonesia, Poland, and Ukraine, Commissioner Bragg finds that subject imports from China are not negligible.

<sup>15</sup> USITC Pub. 3425 at 13.

<sup>16</sup> According to official import statistics, the percentage of imports into the region from China was 3.2 percent of total imports, which is above the statutory threshold for negligibility. Confidential Staff Report (“CR”) and (“PR”) at Table IV-9. However, \*\*\* of rebar that were reported as imports from China into the region entered the Port of New Orleans and were shipped directly to the importer of record located in \*\*\*, which is outside of the 30-state region. Because the first sale of this merchandise occurred outside of the region, we do not consider it to be “exported for sale in the regional market” in our assessment of negligibility. USITC Pub. 3425 at 13.

<sup>17</sup> CR at Table IV-4.

<sup>18</sup> CR at VII-5, PR at VII-2.

<sup>19</sup> In 2000, apparent consumption in the region was \*\*\* million short tons. CR and PR at Table IV-6.

<sup>20</sup> CR at VII-5, PR at VII-2.

## II. THREAT OF MATERIAL INJURY BY REASON OF SUBJECT IMPORTS FROM CHINA

### A. Statutory Threat Factors

Section 771(7)(F) of the Act directs the Commission to consider whether the U.S. industry is threatened with material injury by reason of subject merchandise.<sup>21</sup> While an analysis of any statutory threat factors necessarily involves projection of future events, “such a determination may not be made on the basis of mere conjecture or supposition.”<sup>22</sup> Further direction is provided by the amendment to Section 771(7)(F)(ii), which adds that the Commission shall consider the threat factors “as a whole” in making its determination “whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur” unless an order issues.<sup>23</sup> In addition, the Commission must consider whether dumping findings or antidumping remedies in markets of foreign countries against the same class of merchandise suggest a threat of material injury to the domestic industry.<sup>24</sup>

### B. Cumulation For Purposes of Threat

Cumulation for threat analysis is set forth in section 771(7)(H) of the Act.<sup>25</sup> This provision permits the Commission, to the extent practicable, to assess cumulatively the volume and effect of imports for purposes of conducting its threat analysis.<sup>26</sup> In this respect the provision preserves the Commission’s discretion to cumulate imports in analyzing the threat of material injury. The limitations concerning what imports are eligible for cumulation and the exceptions for cumulation are applicable to cumulation for threat as well as to cumulation for present material injury.<sup>27</sup> In addition, the Commission also considers whether the imports are increasing at similar rates in the same markets, whether the imports have similar margins of underselling, and the probability that imports will enter the United States at prices that would have a depressing or suppressing effect on domestic prices of that merchandise.<sup>28</sup>

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<sup>21</sup> 19 U.S.C. §§ 1673b(a) and 1677(7)(F)(II).

<sup>22</sup> 19 U.S.C. §§ 1677(7)(F)(ii); see e.g., S. Rep. No. 249 at 88-89; see also Metallverken Nederland B.V. v. United States, 744 F.Supp. 281, 287 (Ct. Int’l Trade 1990).

<sup>23</sup> 19 U.S.C. § 1677(7)(F)(ii). While the language referring to imports being imminent (instead of “actual injury” being imminent and threat being “real”) is a change from the prior provision, the SAA indicates the “new language is fully consistent with the Commission’s practice,” the existing statutory language, “and judicial precedent interpreting the statute.”

<sup>24</sup> Factors I and VII regarding countervailable subsidies and raw and processed agriculture products, respectively, are inapplicable to the product at issue. See 19 U.S.C. § 1677(7)(F)(iii)(I) and (VII).

<sup>25</sup> 19 U.S.C. § 1677(H).

<sup>26</sup> Kerns-Liebers v. United States, 19 CIT 87 (1995).

<sup>27</sup> To be eligible for cumulation for threat analysis, the imports must be from countries with respect to which petitions were filed or investigations were self-initiated on the same day, and the imports must compete with each other and with the domestic like product in the United States market. Cumulation for threat analysis is precluded in the four instances in which it is precluded for material injury analysis.

<sup>28</sup> See Torrington Co. v. United States, 790 F. Supp. 1161, 1172 (Ct. Int’l Trade 1992) (affirming Commission’s determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int’l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int’l Trade 1988).

For the reasons discussed in the final determinations on Indonesia, Poland, and Ukraine, we find that imports from China are negligible for purposes of present material injury. As noted above, however, there is a potential that such imports will imminently exceed the statutory negligibility thresholds. Imports that are negligible for purposes of present material injury are not precluded from cumulation with other imports for purposes of making a threat determination as long as the Commission finds that there is a potential for such imports to imminently exceed the statutory negligibility thresholds.

In our previous determinations with respect to Indonesia, Poland, and Ukraine, we found that rebar is a fungible commodity product and that customers perceive subject imports from China and other subject countries to be interchangeable with the domestic like product. Although we find that the subject imports from China and other subject imports compete with each other and with the domestic like product in the U.S. market, we do not exercise our discretion to cumulate imports from the other subject countries for purposes of the threat analysis of subject imports from China. We find the different volume and price trends between imports from China and the other subject imports to be significant. During the period examined, the volume of China's subject imports into the region rose sharply from 17,417 short tons in 1999 to 123,217 short tons in 2000.<sup>29</sup> In contrast, the trends in volumes of subject imports from most the other subject countries were mixed over the period of investigation.<sup>30</sup> Additionally, while the market share held by subject imports from China increased from 0.0 percent in 1998 to \*\*\* percent in 2000, most of the other subject countries' market shares declined or fluctuated over the same period.<sup>31</sup> Furthermore, although all subject imports from all countries undersold the domestic like product, the margins of underselling from China were higher than those from the other subject countries.<sup>32</sup>

### C. Statutory Threat Factors

Based on an evaluation of the relevant statutory factors, we find that the producers of all or almost all of the domestic like product within the region are threatened with material injury by reason of the subject imports from China that are sold in the United States at less than fair value.

The record shows that there is substantial production capacity to produce rebar in China. In 2000, production capacity for rebar in China was estimated to be at least 29.5 million short tons,<sup>33</sup> almost six times apparent consumption in the region during the same year.<sup>34</sup> Rebar production in China increased steadily during the period of investigation, rising from 22.9 million short tons in 1998 to 26.9 million short tons in 1999 and to 29.5 million short tons in 2000. While the only Chinese firm that responded to the Commission's request for information reported \*\*\* capacity utilization rates, its capacity utilization generally declined throughout the period of investigation.<sup>35</sup> We note that the firm accounted for only \*\*\* percent of all Chinese rebar production.<sup>36</sup> The record shows this firm's exports of rebar and as well exports from China as a whole have increased.<sup>37</sup> Indeed, the record indicates that

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<sup>29</sup> CR and PR at Table IV-1.

<sup>30</sup> CR and PR at Table IV-1.

<sup>31</sup> CR and PR at Table IV-6.

<sup>32</sup> CR and PR at Table V-6.

<sup>33</sup> CR at VII-5, PR at VII-2.

<sup>34</sup> In 2000, apparent consumption was \*\*\* million short tons. CR and PR at Table IV-4.

<sup>35</sup> CR at VII-5, PR at VII-2.

<sup>36</sup> CR at VII-5, PR at VII-2.

<sup>37</sup> With respect to production capacity and operations, the Chinese home market, and Chinese exports, the Commission staff requested information from 17 Chinese firms, but received limited information. Only one firm, Laiwu Steel Group, Ltd. ("Laiwu"), submitted a questionnaire response. According to Laiwu, it estimates that it

Chinese exports increased unevenly by 63 percent over the three-year period of investigation.<sup>38</sup>

Although subject rebar from China only began to enter the regional market in 1999, the increase in volume of Chinese subject imports into the regional market has been rapid, increasing from just 17,417 short tons in 1999 to 123,217 in 2000.<sup>39</sup> At the same time, Chinese subject imports' share of the regional market, increased from \*\*\* percent of apparent regional consumption in 1999 to \*\*\* percent in 2000.<sup>40</sup>

Given the Chinese production capacity in relation to regional apparent consumption, the increasing reliance of Chinese subject producers on their export markets, the rapid increase of Chinese subject imports, and the continuing demand for rebar in the regional market, we find that subject imports from China are likely to increase substantially.

We also find that subject imports from China are likely to have significant depressing or suppressing price effects in the regional market. As we have previously found, price is a significant factor in purchasing decisions, as rebar is a commodity product. Moreover, subject imports and the domestic product of the same size are comparable and generally interchangeable when used in the same applications.<sup>41</sup>

There has been significant underselling by the subject imports from China throughout the period of investigation. For the four products for which the Commission collected data, the subject imports from China undersold the domestic like product in the region in all quarterly pricing comparisons. Generally, the margins of underselling of Chinese rebar ranged from \*\*\* to \*\*\* percent and we conclude that this underselling is likely to continue.<sup>42</sup>

Because rebar is a highly fungible, commodity product, and there is no evidence of a shift in product mix over the period of investigation, the average unit value ("AUVs") data in these investigations provide a reliable basis for price comparisons. Throughout the period of investigation, Chinese subject imports' AUVs were much lower than AUVs for the domestic product sold in the region. Chinese subject imports' AUVs equaled \$191.21 in 1999 and \$222.78 in 2000, compared to the domestic like products' AUVs which were \$274.19 in 1999 and \$268.67 in 2000.<sup>43</sup>

Based on the record, and in light of our finding that the volume of subject imports from China is likely to increase substantially, the substitutability of Chinese subject rebar and the significant underselling of the Chinese product, we find that subject imports from China are entering the region at prices that are likely to have a suppressing or depressing effect on domestic prices, and are likely to

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accounted for only \*\*\* percent of all rebar production in China in 2000 and that it accounted for \*\*\* percent of all rebar exported from China to the United States in 2000. Laiwu's capacity utilization rates for rebar were \*\*\* percent in 1998, \*\*\* percent in 1999, and \*\*\* percent in 2000. CR at VII-5, PR at VII-2. Laiwu's inventories \*\*\* during the period of investigation. CR at VII-6, PR at VII-2-3.

Home market shipments accounted for \*\*\* percent of Laiwu's total shipments in 1998, \*\*\* percent in 1999, and \*\*\* percent in 2000. At the same time, Laiwu's exports to other countries as a share of its total shipments accounted for \*\*\* percent in 1998, \*\*\* percent in 1999, and \*\*\* percent in 2000. CR at VII-5, PR at VII-2.

No information is available as to what percentage of Laiwu's rebar is shipped to the region.

<sup>38</sup> CR at VII-5, PR at VII-2.

<sup>39</sup> CR and PR at Table C-1.

<sup>40</sup> CR and PR at Table C-1.

<sup>41</sup> USITC Pub. 3425 at 18.

<sup>42</sup> CR and PR at Table V-6 and V-7.

<sup>43</sup> CR and PR at Tables IV-1 and C-1. We also note that Chinese subject AUVs were below non-subject AUVs in 1999 and 2000. CR and PR at Table C-1.

increase demand for Chinese subject imports.

We note that the regional industry experienced declines in several key indicators due to the subject imports from the other seven countries. Indeed, despite increasing apparent U.S. consumption within the region, generally increasing domestic sales quantities, and aggregate and per unit declines in cost of goods sold, the domestic producers were unable to gain overall market share and lost revenues in the face of the substantial price declines caused in significant part by subject imports.<sup>44</sup> As noted earlier, from 1998 to 2000, regional apparent consumption of rebar increased from \*\*\* million short tons to \*\*\* million short tons, while regional producers' share of the regional market declined.<sup>45</sup> In addition, regional producers' capacity utilization remained low throughout the period of investigation.<sup>46</sup>

Total sales of regional producers' rebar increased during 1998-2000, from 3.8 million short tons in 1998 to 4.3 million short tons in 2000.<sup>47</sup> Although regional producers' sales increased, average unit values dropped over the same period, from \$309.16 per ton in 1998 to \$274.68 per ton in 1999 and \$269.20 per ton in 2000, far outpacing the decline in raw material costs.<sup>48</sup> As net sales values per pound declined, operating income also fell for almost all regional producers. Overall, operating income declined from \$75.8 million in 1998 to \$55.6 million in 1999 and to \$11.6 million in 2000.

The record indicates that in 1998, seven of the 21 regional producers reported operating losses. By 2000, the number of regional producers reporting operating losses had doubled.<sup>49</sup> Moreover, for the remaining regional producers, operating income declined during the same period.<sup>50</sup>

As the volumes of subject imports from China continue to increase, the price pressure exerted by these imports will increase, resulting in further reductions in prices or suppression of price increases and leading to further losses in regional industry revenues and profitability for all companies. We view the falling net sales value per pound for the domestic rebar during the period of investigation as an indicator that other measures of the regional industry's condition will in turn further deteriorate in the near future if the escalating price pressure exerted by subject imports from China continues.

In sum, we find that significant volume of subject imports from China will cause the regional industry to lose additional market share and will suppress or depress prices to a significant degree, precipitating a further decline in the regional industry's profitability and aggravating its already deteriorating financial condition. We therefore find that the regional industry producing rebar is threatened with material injury by reason of subject imports from China.<sup>51</sup>

#### **VIEWS OF COMMISSIONERS MILLER, HILLMAN, AND DEVANEY**

As noted above, the instant investigations arose out of a group of simultaneously filed petitions that also included the petitions for our recently completed investigations of rebar from Indonesia, Poland,

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<sup>44</sup> CR and PR at Table C-1.

<sup>45</sup> CR and PR at Table C-1.

<sup>46</sup> Specifically, capacity utilization was 75.2 percent in 1998, 74.5 percent in 1999, and 75.5 percent in 2000. CR and PR at Table C-1.

<sup>47</sup> CR and PR at Table C-1.

<sup>48</sup> CR and PR at Tables C-1, VI-2, and VI-3.

<sup>49</sup> CR and PR at Table VI-1.

<sup>50</sup> CR and PR at Table VI-4.

<sup>51</sup> Based on our negligibility finding we are precluded from making a present material injury finding with respect to the subject imports from China. Thus, we do not find that but for the suspension of liquidation we would have found present material injury by reason of subject imports from China.

and Ukraine.<sup>52</sup> In our determinations with respect to Indonesia, Poland, and Ukraine, we engaged in a cumulated analysis of the volume and price effects of imports from Belarus, Korea, Latvia, Indonesia, Moldova, Poland, and Ukraine. Under Section 771(7)(G)(iii) of the Tariff Act of 1930,<sup>53</sup> as amended (“the Act”), we are required to make our material injury determinations in the instant investigations on the same record as that of the determinations regarding subject imports from Indonesia, Poland, and Ukraine, except that the record in these investigations also includes Commerce’s final determinations and parties’ final comments. The record in these investigations is otherwise identical to that in the investigations regarding imports from Indonesia, Poland, and Ukraine with respect to domestic like product, domestic industry, negligibility, cumulation, and material injury. Therefore, in these investigations, we adopt the findings and analysis in our determinations regarding imports from Indonesia, Poland and Ukraine for the like product, domestic industry, cumulation, material injury, and captive production.

With respect to the material injury analysis, we note that Commerce modified the dumping margins somewhat from its preliminary determinations.<sup>54</sup> These changes to the margins do not alter our conclusion that a domestic industry in the United States is materially injured by reason of the cumulated subject imports.

Accordingly, we determine that a domestic industry in the United States is materially injured by reason of subject imports from Belarus, Latvia, and Moldova. Our determination with respect to China is set forth below.

## I. NEGLIGENCE

The legal standards for negligibility are provided in section I above of the Views of Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg.

In our final determinations on Indonesia, Poland, and Ukraine, we found that the subject imports from China were negligible for purposes of determining present material injury,<sup>55</sup> but we did not address the issue of whether subject imports from China would imminently exceed the 3-percent threshold.<sup>56</sup>

We find that there is a potential that subject imports from China will imminently exceed 3 percent of all imports in the U.S. market, and therefore we do not treat such imports from China as being negligible for purposes of analyzing threat of material injury. Although imports from China were below the 3-percent threshold for the twelve months prior to the filing of the petition; such imports rose significantly at the end of the period of investigation, increasing from 17,547 short tons in 1999 to 163,124 short tons in 2000.<sup>57</sup> Subject imports from China in the second half of 2000 rose to 114,351

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<sup>52</sup> USITC Pub. 3425

<sup>53</sup> 19 U.S.C. § 1677(7)(G)(iii).

<sup>54</sup> Commerce’s final antidumping duty margins are as follows: Belarus-114.53 percent, Latvia-17.21 percent, Moldova-232.86 percent, China-133.00 percent, and Korea–Dongkuk Steel Mill Co., Ltd., 22.89 percent, Hanbo Iron & Steel Co., Ltd., 102.28 percent, and all others, 22.89 percent. Commerce’s Final Determinations Regarding Belarus, Latvia, Moldova, the People’s Republic of China, and the Republic of Korea. 66 Fed. Reg. 335424 (June 22, 2001).

<sup>55</sup> Official import statistics indicate that subject imports from China into the U.S. market were 2.9 percent of the volume of total merchandise into the United States during the requisite period. CR and PR at Table IV-9.

<sup>56</sup> USITC Pub. 3425 at 25.

<sup>57</sup> CR and PR at Table C-4. Indeed, subject imports from China actually exceeded 3 percent of total imports in a few months after the 12-month statutory period. Official Import Statistics. We note that subject imports from China had decreased by September 2000, but we attribute this decrease to the filing of the petitions in June 2000.



short tons, from 48,773 short tons in the first half of 2000.<sup>58</sup> There is considerable production capacity in China. In 2000, production for rebar in China was estimated to be 29,450,386 short tons,<sup>59</sup> which was almost four times apparent consumption in the United States during the same year.<sup>60</sup> Moreover, China's exports increased, albeit unevenly, by more than 50 percent during the 3-year period of investigation.<sup>61</sup>

We therefore find that there is a potential for imports from China to imminently exceed the 3 percent threshold. Accordingly, we consider below whether a national industry is threatened with material injury by reason of subject imports from China.

## II. THREAT OF MATERIAL INJURY BY REASON OF SUBJECT IMPORTS FROM CHINA

The legal standards for determining threat of material injury and cumulation for purposes of threat are set forth in sections II A and B above of the Views of Chairman Koplun, Vice Chairman Okun, and Commissioner Bragg.<sup>62</sup>

As we found in our previous determinations with respect to Indonesia, Poland, and Ukraine, rebar is a fungible commodity product and customers perceive that subject imports from China are interchangeable with other subject imports and the domestic like product. Although we find that the subject imports from China compete with other subject imports and with the domestic like product in the U.S. market, we do not exercise our discretion to cumulate imports from the other subject countries for purposes of the threat analysis of subject imports from China.<sup>63</sup> We find the different volume and price trends between imports from China and the other subject imports to be significant. During the period examined, the volume of China's subject imports into the U.S. market rose from 17,547 short tons in 1999 to 163,124 short tons in 2000.<sup>64</sup> In contrast, changes in the volumes of subject imports from the other subject countries were mixed over the period of investigation.<sup>65</sup> Additionally, over the period of investigation, the market share held by subject imports from China increased from \*\*\* percent to \*\*\* percent, while most of the other subject countries' market shares declined or fluctuated over the same period.<sup>66</sup> Furthermore, although all subject imports from all countries undersold the domestic like product, the margins of underselling for China were greater than those for the other subject countries throughout the period of investigation.<sup>67 68</sup>

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<sup>58</sup> OINV Memorandum Inv. Y-097.

<sup>59</sup> CR at VII-5, PR at VII-2.

<sup>60</sup> In 2000, apparent consumption was \*\*\* million short tons. CR and PR at Table IV-6

<sup>61</sup> CR at VII-5, PR at VII-2.

<sup>62</sup> Factors I and VII regarding countervailable subsidies and raw and processed agriculture products, respectively, are inapplicable to the product at issue. See 19 U.S.C. § 1677(7)(F)(iii)(I) and (VII).

<sup>63</sup> Having found that subject imports from China are negligible for purposes of a present material injury analysis, Commissioner Miller does not exercise her discretion to cumulate subject imports from China with those from the other subject countries for purposes of a threat analysis on China. She does not join in the remainder of this paragraph.

<sup>64</sup> CR and PR at Table C-4.

<sup>65</sup> CR and PR at Table IV-1.

<sup>66</sup> CR and PR at Table IV-8.

<sup>67</sup> CR and PR at Table V-6.

<sup>68</sup> Commerce's final antidumping duty margin for China was 133.00 percent. Commerce's Final Determinations Regarding Belarus, Latvia, Moldova, the People's Republic of China, and the Republic of Korea. 66 Fed. Reg. 18796 (June 23, 2001).

On the basis of our finding that subject imports from China are negligible for purposes of determining material injury, we are precluded from making a present material injury finding with respect to subject imports from China.<sup>69</sup> Thus, although we make an affirmative threat finding for China, we do not find that “but for the suspension of liquidation” we would have found present material injury by reason of subject imports.<sup>70</sup>

Based on an evaluation of the relevant statutory factors, we find that the domestic industry is threatened with material injury by reason of the subject imports from China that are sold in the United States at LTFV.

The record shows that there is substantial production capacity for rebar in China. Rebar production in China has steadily increased during the period of investigation from 22.9 million short tons in 1998 to 26.9 million short tons in 1999, and to 29.5 million short tons in 2000. As stated earlier, in 2000, production capacity for rebar in China was estimated to be 29.5 million short tons,<sup>71</sup> almost four times U.S. apparent consumption during the same year.<sup>72</sup> The one Chinese firm that responded to the Commission’s requests for information indicated that it had some available capacity, and the record shows that this firm’s exports of rebar, as well exports from China as a whole, have increased rapidly.<sup>73</sup> Indeed, Chinese exports of rebar increased, albeit unevenly, by 63 percent during the period examined, suggesting an increased emphasis on exports.<sup>74</sup>

Furthermore, subject imports from China only began to enter the U.S. market in 1999. Penetration of the U.S. market has been fairly rapid, with imports increasing substantially from 1998 to 2000.<sup>75</sup> At the same time, the share of the domestic market held by subject imports from China also increased from \*\*\* percent of U.S. apparent consumption in 1999 to \*\*\* percent in 2000.<sup>76</sup> The volume of subject imports from China increased from 17,547 short tons on 1999 to 163,124 short tons in 2000, and was 114,351 short tons in the second half of 2000, as compared to 48,773 short tons in the first half of 2000.<sup>77</sup>

Given the Chinese production capacity in relation to U.S. apparent consumption, the increasing reliance of Chinese subject producers on their export markets, the rapid market penetration of subject imports from China and the continuing demand for rebar in the U.S. market, we find that subject imports from China are likely to increase substantially.

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<sup>69</sup> See 19 U.S.C. § 1677(24)(A)(i)(I).

<sup>70</sup> Cf. 19 U.S.C. § 1673d(b)(4)(B).

<sup>71</sup> CR at VII-5, PR at VII-2.

<sup>72</sup> In 2000, apparent consumption was \*\*\* million short tons. CR and PR at Table IV-8.

<sup>73</sup> With respect to production capacity and operations, the Chinese home market, and exports from China, the Commission staff requested information from 17 Chinese firms, but received limited information. Only one firm, Laiwu Steel Group, Ltd. (“Laiwu”), submitted a questionnaire response. Laiwu estimates that it accounted for \*\*\* percent of all rebar production in China in 2000 and for \*\*\* percent of all rebar exported from China to the United States in 2000. Laiwu’s capacity utilization rates for rebar were \*\*\* percent in 1998, \*\*\* percent in 1999, and \*\*\* percent in 1999. CR at VII-1, 4-5, Table VII-2.

Home market shipments accounted for \*\*\* percent of Laiwu’s total shipments in 1998, \*\*\* percent in 1999, and \*\*\* percent in 2000. At the same time, Laiwu’s exports to other countries as a share of total shipments accounted for \*\*\* percent in 1998, \*\*\* percent in 1999, and \*\*\* percent in 2000 of its rebar production. CR at VII-1, VII-5, Table VII-2, PR at VII-1, VII-2, Table VII-2.

<sup>74</sup> CR at VII-5, PR at VII-2.

<sup>75</sup> CR and PR at Table C-4.

<sup>76</sup> CR and PR at Table IV-8.

<sup>77</sup> CR and PR at Table C-4, Inv.-Y-097.

We also find that subject imports from China are likely to have significant depressing or suppressing effects on U.S. prices. As rebar is a commodity product, we have previously found that price is a significant factor in purchasing decisions. Moreover, subject imports and the domestic product of the same size are comparable and generally interchangeable when used in the same applications.<sup>78</sup>

There has been significant underselling by the subject imports from China throughout the period of investigation. For the four products for which the Commission collected data, the subject imports from China undersold the domestic like product in all quarterly pricing comparisons.<sup>79</sup> The margins of underselling of Chinese rebar ranged from \*\*\* to \*\*\* percent.<sup>80</sup>

Since rebar is a highly fungible, commodity product and there is no evidence of a shift in product mix over the period of investigation,<sup>81</sup> average unit value (“AUVs”) data in these investigations provide a reliable basis for price comparisons. Throughout the period of investigation, the AUVs of subject imports’ from China were much lower than AUVs for the domestic product sold in the U.S. market. Chinese subject imports’ AUVs equaled \$191.47 in 1999 and \$222.34 in 2000, compared to the domestic like products’ AUVs, which were \$275.28 in 1999 and \$270.42 in 2000.<sup>82</sup>

Based on the record and in light of our findings as to the likelihood of substantially increased imports from China, the substitutability of Chinese subject rebar and the significant underselling by the Chinese product, we find that subject imports from China are entering the U.S. market at prices that are likely to have a significant suppressing or depressing effect on domestic prices, and are likely to increase demand for further subject imports from China.

We note that the domestic industry experienced declines in several key indicators over the period of investigation. As we previously found, from 1998 to 2000, U.S. apparent consumption of rebar increased from \*\*\* million short tons to \*\*\* million short tons in 2000.<sup>83</sup> Although the volume of domestic producers’ U.S. shipments generally increased,<sup>84</sup> the value declined due to a drop in average unit values.<sup>85</sup>

As a result, operating income declined from \$103.9 million in 1998 to \$44.6 million in 2000.<sup>86</sup> At the same time, the domestic industry’s operating margin declined, dropping from 5.8 percent in 1998 to 2.5 percent in 2000. In addition, as operating profits dwindled, capital expenditures were severely curtailed, falling from \$156.5 million in 1998 to \$65.6 million in 2000.<sup>87</sup>

We find that, as the volumes of subject imports from China continue to increase, the price pressure exerted by these imports will increase, resulting in further reductions in prices or suppression of price increases and leading to further losses in the U.S. industry’s revenues and profitability. We view the falling net sales value per short ton for the domestic rebar industry during the period of investigation as an indicator that other measures of the U.S. industry’s condition will deteriorate further in the near future as the escalating price pressure exerted by subject imports from China continues.

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<sup>78</sup> USITC Pub. 3425 at 18, 27.

<sup>79</sup> We note that price comparisons were conducted on a regional basis.

<sup>80</sup> CR and PR at Table V-6.

<sup>81</sup> CR and PR at Table C-4.

<sup>82</sup> CR and PR at Table C-4, Table IV-8.

<sup>83</sup> CR and PR at Table C-4.

<sup>84</sup> U.S. producers’ U.S. shipments increased from 5.8 million short tons in 1998 to 6.2 million short tons in 1999 to 6.3 million short tons in 2000. The value of U.S. producers’ U.S. shipments decreased unevenly, from \$1.76 billion in 1998 to \$1.70 billion in 1999 to \$1.71 billion in 2000. CR and PR at Table C-4.

<sup>85</sup> CR and PR at Table C-1, Table VI-2, and Table VI-3.

<sup>86</sup> CR and PR at Table C-4.

<sup>87</sup> CR and PR at Table C-4.

In sum, we find that the likely significant volume of subject imports from China will cause the national rebar industry to lose further market share and will depress prices to a significant degree, precipitating a further decline in the U.S. industry's profitability and aggravating its already deteriorating financial condition. We therefore find that the U.S. industry producing rebar is threatened with material injury by reason of subject imports from China.

#### IEWS OF THE COMMISSION ON CRITICAL CIRCUMSTANCES

Commerce made affirmative critical circumstances determinations with respect to certain imports from China and Korea. Because our determination with respect to China is based on the threat of material injury, we do not make a critical circumstances finding with respect to those subject imports from China.<sup>88 89</sup> For subject imports from Korea, as to which we have made a present material injury determination, we must further determine "whether the imports subject to the affirmative [Commerce critical circumstances] determination . . . are likely to undermine seriously the remedial effect of the antidumping order to be issued."<sup>90</sup> The URAA Statement of Administrative Action ("SAA") indicates

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<sup>88</sup> In pre-URAA cases, the Commission would not reach the issue of critical circumstances when it made a determination of threat of material injury on the basis that "a finding that retroactive imposition of antidumping duties is necessary to prevent the recurrence of material injury would be inconsistent with [a] finding that the domestic industry is threatened with material injury at this time." E.g. Stainless Steel Flanges from India and Taiwan, Inv. Nos. 731-TA-639-640 (Final), USITC Pub. 2724 at I-21 n. 112 (Feb. 1994). Congress amended the critical circumstances provision in the URAA and eliminated any statutory reference to "recurrence of material injury." The Commission has determined that the URAA did not require it to modify its practice of not reaching the issue of critical circumstances when it makes an affirmative threat determination. In Collated Roofing Nails from China and Taiwan, Inv. Nos. 731-TA-757 and 759 (Final), USITC Pub. 3070 at 24-25 (Nov. 1997), the Commission noted that a critical circumstances finding would not have any practical utility in a threat case where duties imposed from the date of the final determination – not from the date of suspension of liquidation. Further, the Commission found that the statute still required a finding of material injury by reason of subject imports in order to trigger a critical circumstances determination, thus rendering a critical circumstances finding inappropriate in threat cases.

<sup>89</sup> Given her present material injury finding and Commerce's final affirmative critical circumstances determination with respect to subject imports from China, Commissioner Bragg addresses the issue of whether Chinese subject imports are likely to undermine seriously the remedial effect of the orders to be issued. The record indicates that the volume of subject imports from China increased from 36,824 short tons in the six-month period before the filing of the petition (January-June 2000) to 86,335 short tons in the six-month period after the filing of the petition (July-December 2000). Commission staff's calculations based on official Commerce statistics. This increase in volume of approximately 50,000 short tons after the filing of the petition is equivalent to \*\*\* percent of 2000 apparent U.S. consumption and 1.2 percent of 2000 domestic production. Commission staff's calculations based on official Commerce statistics and CR and PR at Table C-1. The record also indicates that in the first quarter after the filing of the petition, the price of Chinese subject imports increased. CR and PR at Tables V-2-V-5. Although prices for Chinese subject imports subsequently declined in the second quarter after the filing of the petition, these latter prices generally did not fall below price levels reported for the period immediately preceding the filing of the petition. CR and PR at Tables V-2-V-5. Based on the foregoing, Commissioner Bragg determines that subject imports from China subject to Commerce's affirmative critical circumstances determination are not likely to undermine seriously the remedial effect of the antidumping duty order to be issued. Accordingly, she makes a negative critical circumstances determination regarding Chinese subject imports.

<sup>90</sup> 19 U.S.C. § 1673d(b)(4)(A)(i)(emphasis added). The statute further provides that in making this determination:

the Commission shall consider, among other factors it considers relevant--

that the Commission is to determine “whether, by massively increasing imports prior to the effective date of the relief, the importers have seriously undermined the remedial effect of the order.”<sup>91</sup>

Commerce has made an affirmative critical circumstances determination with respect to one Korean exporter, Hanbo. The information contained in the record on subject imports from Korea is not broken out on a company-by-company basis. However, Hanbo reportedly accounts for \*\*\* percent of Korea’s production of the subject merchandise.<sup>92</sup>

Consistent with Commission practice, in considering the timing and volume of imports, we have compared import quantities prior to the filing of the petition with those subsequent to the filing of the petition.<sup>93</sup> The record contains monthly export data for the firms subject to the affirmative Commerce critical circumstances determination.<sup>94</sup> We have examined the data included in the six-month periods before and after the filing of the petitions.

Exports from Korea were lower in the period following the filing of the petition than in the period preceding it.<sup>95</sup> The record does not contain information specifically concerning U.S. importers’ inventories of the firm subject to Commerce’s affirmative critical circumstances findings. The closest proxies are end-of-period inventories of all subject imports from Korea for the years 1999 and 2000. The end-of-period inventories for subject imports from Korea were \*\*\* short tons for 1999 and \*\*\* short tons for 2000.<sup>96</sup>

We determine that imports of rebar subject to affirmative critical circumstances findings by Commerce will not seriously undermine the remedial effect of the antidumping order as the volume of subject imports from Korea at issue and importers’ inventory levels of Korean subject merchandise were significantly lower in the months after the filing of the petition as in the months prior to the filing of the petition.<sup>97</sup>

Accordingly, we make a negative critical circumstances determination concerning those imports of rebar from Korea that are subject to a final affirmative critical circumstances finding by Commerce.

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- (I) the timing and volume of the imports,
  - (II) a rapid increase in inventories of the imports, and
  - (III) any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined.

19 U.S.C. § 1673d(b)(4)(A)(ii).

<sup>91</sup> SAA at 877.

<sup>92</sup> Commission staff’s estimate from foreign producer questionnaire responses.

<sup>93</sup> See Certain Preserved Mushrooms from China, India, and Indonesia, Inv. Nos. 731-TA-777-779 (Final), USITC Pub. 3159 (Feb. 1999) at 24 (Views of Vice Chairman Miller and Commissioners Hillman and Koplan), 28 (Views of Chairman Bragg and Commissioners Crawford and Askey); Certain Brake Drums and Rotors from China, Inv. No. 731-TA-744 (Final), USITC Pub. 3035 at 19 (April 1997).

<sup>94</sup> We note that imports from Korea that were shipped into the 30 states which comprise the region as found by Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg are lower than on a national basis. Although the total volume of subject imports shipped into the region on a monthly basis are not in the record, Chairman Koplan, Vice Chairman Okun, and Commissioner Bragg believe that import figures on a national basis are comparable to import trends in the region for the twelve- month period examined.

<sup>95</sup> The volume of subject imports from Korea into the United States decreased from 253,034 short tons in the six months prior to the filing of the petition, to 10,569 tons in the six months after the filing. Memorandum INV-Y-097, May 11, 2001.

<sup>96</sup> CR and PT at Table VII-9.

<sup>97</sup> We acknowledge petitioner’s argument that increased inventories should be apparent at the distributor level. Petitioner’s Posthearing Brief at 10-12. We do not, however, find this to be a sufficient basis on which to make an affirmative critical circumstances finding.

## CONCLUSION

For the foregoing reasons, Chairman Koplan and Vice Chairman Okun determine that a regional industry producing rebar in the United States is materially injured by reason of subject imports from Belarus, Korea, Latvia, and Moldova that are sold in the United States at LTFV. With respect to China, Chairman Koplan and Vice Chairman Okun find that a regional industry is threatened with material injury by reason of subject imports from China that are sold in the United States at LTFV. Commissioner Bragg determines that a regional industry in the United States is materially injured by reason of subject imports from Belarus, China, Korea, Latvia, and Moldova that are sold in the United States at LTFV. Commissioners Miller, Hillman, and Devaney determine that a domestic industry producing rebar in the United States is materially injured by reason of subject imports from Belarus, Korea, Latvia, and Moldova that are sold in the United States at LTFV. Commissioners Miller, Hillman, and Devaney also determine that a domestic industry in the United States is threatened with material injury by reason of subject imports from China that are sold in the United States at LTFV. Finally, the Commission determines that critical circumstances do not exist with respect to those subject imports from China and Korea that were subject to affirmative critical circumstances findings.

## PART I: INTRODUCTION

### BACKGROUND

These investigations result from petitions filed by the Rebar Trade Action Coalition (RTAC) (Washington, DC) and its individual members<sup>1</sup> on June 28, 2000, alleging that a regional industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value (LTFV) imports of certain steel concrete reinforcing bars<sup>2</sup> from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela. The petitions also alleged critical circumstances regarding imports from China, Korea, Latvia, and Poland.<sup>3</sup> On August 22, 2000, the petitions were amended to include critical circumstances allegations regarding imports from Belarus, Moldova, and Ukraine.

In its preliminary determinations on August 14, 2000, the Commission found that there was a reasonable indication that a regional industry in the United States was materially injured or threatened with material injury by reason of subject imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine allegedly sold in the United States at LTFV.<sup>4</sup> The Commission further determined that there was no reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of such imports from Japan, thereby terminating the investigation concerning Japan. Concurrently, the Commission also determined that subject imports from Austria, Russia, and Venezuela were negligible and thereby terminated the investigations with respect to these countries.

On April 11, 2001, the U.S. Department of Commerce (“Commerce”) made affirmative final determinations of sales at LTFV concerning subject imports from Indonesia, Poland, and Ukraine. Commerce also determined that critical circumstances existed with respect to subject imports from Poland and Ukraine. In its final determinations, the Commission found that an industry in the United States was materially injured by reason of imports from Indonesia, Poland, and Ukraine of certain steel

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<sup>1</sup> The individual members of RTAC on whose behalf the petitions were filed are as follows: AmeriSteel (Tampa, FL); Auburn Steel Co., Inc. (Auburn, NY); Birmingham Steel Corp. (Birmingham, AL); Border Steel, Inc. (El Paso, TX); CMC Steel Group (Seguin, TX); Marion Steel Co. (Marion, OH); Nucor Steel (Darlington, SC); and Riverview Steel (Glassport, PA). Auburn was not a petitioner with respect to Indonesia and Japan.

<sup>2</sup> For purposes of these investigations, certain steel concrete reinforcing bars are defined by Commerce as “all rebar sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) 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. The HTS subheadings are provided for convenience and customs purposes. The written description of the scope of this proceeding is dispositive.” Subheading 7214.20.00 of the HTS has a normal trade relations tariff rate of 1.5 percent *ad valorem*, applicable to imports from all the countries named in the petitions.

<sup>3</sup> “Critical circumstances” means that (1) 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 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 LTFV and that there was likely to be material injury by reason of such sales; and (2) there have been massive imports of the subject merchandise over a relatively short period.

<sup>4</sup> *Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela, Investigations Nos. 731-TA-872-883 (Preliminary)*, USITC Pub. 3343, August 2000, p. 1.

concrete reinforcing bars that were found by Commerce to be sold in the United States at LTFV.<sup>5</sup> The Commission also determined that critical circumstances did not exist with respect to subject imports from Poland and Ukraine.

This report contains only information relating to Commerce’s final dumping determinations regarding Belarus, China, Korea, Latvia, and Moldova. Other information collected in the investigations concerning these countries is contained in the Commission’s report and record in the aforementioned investigations on Indonesia, Poland, and Ukraine. Information relating to the background and scheduling of the investigations on Belarus, China, Korea, Latvia, and Moldova is provided below (cited *Federal Register* notices are presented in appendix A). Results of the COMPAS model based on Commerce’s final dumping margins are presented in appendix B.

<i>Effective Date</i>	<i>Action</i>
June 28, 2000 . . . . .	Petitions filed with Commerce and the Commission; institution of Commission investigations
July 25, 2000 . . . . .	Commerce’s notice of initiation
August 14, 2000 . . . . .	Commission’s preliminary determinations
September 27, 2000 . . . . .	Commerce’s preliminary affirmative determination of critical circumstances on China
January 30, 2001 . . . . .	Commerce’s affirmative preliminary determinations of sales at LTFV; scheduling of the final phase of Commission investigations (66 FR 10317, February 14, 2001)
April 5, 2001 . . . . .	Commission’s hearing
June 22, 2001 . . . . .	Commerce’s affirmative final determinations on sales at LTFV (66 FR 33522 through 33531)
July 13, 2001 . . . . .	Date of the Commission’s votes
July 23, 2001 . . . . .	Commission determinations sent to Commerce

**NATURE AND EXTENT OF SALES AT LTFV**

Dumping margins found by Commerce in its final determinations are shown in the tabulation on the following page.

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<sup>5</sup> Chairman Stephen Koplan, Vice Chairman Deanna Tanner Okun, and Commissioner Lynn M. Bragg determined that a regional industry in the United States was materially injured by reason of the subject imports. The defined region consists of all the states east of the Mississippi plus Arkansas, Louisiana, Missouri, and Texas, as well as the District of Columbia and Puerto Rico. *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Investigations Nos. 731-TA-875, 880, and 882 (Final)*, USITC Pub. 3425, May 2001, p. 1.



<b>Country</b>	<b>Manufacturer/exporter</b>	<b>Weighted-average margin (percent)</b>
Belarus	Belarus-wide	114.53
China	Laiwu Steel Group	133.00
	PRC-wide	133.00
Korea	Dongkuk Steel Mill Co., Ltd./Korea Iron & Steel Co., Ltd.	22.89
	Hanbo Iron & Steel Co., Ltd.	102.28
	All others	22.89
Latvia	Liepajas Metalurgs	17.21
	All others	17.21
Moldova	Moldova-wide	232.86



**APPENDIX A**

***FEDERAL REGISTER* NOTICES**



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**INTERNATIONAL TRADE  
COMMISSION**

**[Investigations Nos. 731-TA-873-875,  
877-880, and 882 (Final)]**

**Certain Steel Concrete Reinforcing  
Bars From Belarus, China, Indonesia,  
Korea, Latvia, Moldova, Poland, and  
Ukraine**

**AGENCY:** United States International  
Trade Commission.

**ACTION:** Scheduling of the final phase of  
antidumping investigations.

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**SUMMARY:** The Commission hereby gives notice of the scheduling of the final phase of antidumping investigations Nos. 731-TA-873-875, 877-880, and 882 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the Act) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of less-than-fair-value imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine of certain steel concrete reinforcing bars, provided

for in subheading 7214.20.00 of the Harmonized Tariff Schedule of the United States.<sup>1</sup>

For further information concerning the conduct of this phase of the investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

**EFFECTIVE DATE:** January 24, 2001.

**FOR FURTHER INFORMATION CONTACT:**

Woodley Timberlake (202-205-3188), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>).

**SUPPLEMENTARY INFORMATION:**

**Background.**—The final phase of these investigations is being scheduled as a result of affirmative preliminary determinations by the Department of Commerce that imports of certain steel concrete reinforcing bars from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. § 1673b). The investigations were requested in petitions filed on June 28, 2000, by the Rebar Trade Action Coalition (RTAC) (Washington, DC) and its individual members.<sup>2</sup>

**Participation in the investigations and public service list.**—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to

participate in the final phase of these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, no later than 21 days prior to the hearing date specified in this notice. A party that filed a notice of appearance during the preliminary phase of the investigations need not file an additional notice of appearance during this final phase. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

**Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.**—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of these investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. § 1677(9), who are parties to the investigations. A party granted access to BPI in the preliminary phase of the investigations need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

**Staff report.**—The prehearing staff report in the final phase of these investigations will be placed in the nonpublic record on March 23, 2001, and a public version will be issued thereafter, pursuant to section 207.22 of the Commission's rules.

**Hearing.**—The Commission will hold a hearing in connection with the final phase of these investigations beginning at 9:30 a.m. on April 5, 2001, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before March 28, 2001. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on April 2, 2001, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 of the Commission's rules. Parties must submit any request to

present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

**Written submissions.**—Each party who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is March 30, 2001. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is April 12, 2001; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before April 12, 2001. On May 8, 2001, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before May 10, 2001, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. Parties may also issue final comments on Commerce's final determinations on Belarus, China, Korea and Latvia on or before June 29, 2001; such comments must not contain new factual information except for information contained in Commerce's determinations on the four countries, and must otherwise comply with section 207.30 of the Commission rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

**Authority:** These investigations are being conducted under authority of title VII of the

<sup>1</sup>For purposes of these investigations, Commerce has defined the subject merchandise as "all 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."

<sup>2</sup>Such members include Ameristeel (Tampa, FL); Auburn Steel Co., Inc. (Auburn, NY); Birmingham Steel Corp. (Birmingham, AL); Border Steel, Inc. (El Paso, TX); Marion Steel Co. (Marion, OH); Riverview Steel (Glassport, PA); Nucor Steel (Darlington, SC); and CMC Steel Group (Seguin, TX). Auburn Steel Co., Inc. is not a petitioner involving certain steel concrete reinforcing bars from Indonesia.

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Tariff Act of 1930; this notice is published pursuant to § 207.21 of the Commission's rules.

By order of the Commission.

Issued: February 7, 2001.

**Donna R. Koehnke**

*Secretary.*

[FR Doc. 01-3749 Filed 2-13-01; 8:45 am]

BILLING CODE 7020-02-P

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**DEPARTMENT OF COMMERCE****International Trade Administration****[A-570-860]****Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From the People's Republic of China****AGENCY:** Import Administration, International Trade Administration, Department of Commerce.**EFFECTIVE DATE:** June 22, 2001.**FOR FURTHER INFORMATION CONTACT:** Magd Zalok or Constance Handley, Group II, Office 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-4162, (202) 482-0631, respectively.**SUPPLEMENTARY INFORMATION:****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 Department of Commerce (the Department) regulations refer to the regulations codified at 19 CFR part 351 (April 2000).



### Final Determination

We determine that steel concrete reinforcing bar (rebar) from the People's Republic of China (PRC) is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the *Final Margins* section of this notice.

### Case History

The preliminary determination in this investigation was issued on January 16, 2001. See *Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Concrete Reinforcing Bars From the People's Republic of China*, 66 FR 8339 (January 30, 2001) (*Preliminary Determination*).

We conducted verification of the questionnaire responses of Laiwu Steel Group, Ltd., and Laiwu Steel Corporation (collectively, Laiwu), from March 5 through March 9, 2001.

On March 1, 2001, Laiwu requested a hearing, and on March 2, 2001, the petitioner<sup>1</sup> requested to participate in a hearing if a hearing was to be held. However, on May 4, 2001, Laiwu withdrew its request for a hearing.

Section 734(m) of the Act states that in the case of regional industry investigations, the administering authority shall offer exporters the opportunity to enter into suspension agreements. Proposed and finalized agreements in these cases must comport with the requirements set forth under section 734 of the Act for the suspension of antidumping duty investigations. The exporter participating in the instant investigation was aware of its opportunity to propose a suspension agreement. However, the Department did not accept a suspension agreement in this proceeding. See Memorandum from Holly Kuga to The File, dated April 2, 2001.

### Scope of Investigation

For purposes of this investigation, the product covered is all 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.

### Period of Investigation

The period of investigation (POI) is October 1, 1999, through March 31, 2000. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (i.e., June 2000).

### Non-market Economy Country

The Department has treated the PRC as a non-market economy (NME) country in all past antidumping investigations. See, e.g., *Final Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China*, 65 FR 33805 (May 25, 2000), and *Final Determination of Sales at Less Than Fair Value: Certain Non-Frozen Apple Juice Concentrate from the People's Republic of China*, 65 FR 19873 (April 13, 2000). A designation as a NME remains in effect until it is revoked by the Department. See section 771(18)(C) of the Act. The respondent in this investigation has not requested a revocation of the PRC's NME status. Therefore, we have continued to treat the PRC as a NME in this investigation. For further details, see the Department's *Preliminary Determination*.

### Separate Rates

In our preliminary determination, we found that Laiwu had met the criteria for the application of separate antidumping duty rates. We have not received any other information since the preliminary determination which would warrant reconsideration of our separate rates determination with respect to Laiwu. Therefore, we continue to find that Laiwu should be assigned an individual dumping margin. For a complete discussion of the Department's determination that Laiwu is entitled to a separate rate, see the Department's *Preliminary Determination*.

### The People's Republic of China-Wide Rate and Use of Facts Otherwise Available

As explained in the Department's *Preliminary Determination*, Laiwu was the only exporter to respond to the Department's questionnaire and cooperate in this investigation. Therefore, we have continued to calculate a company-specific rate for Laiwu only. However, in the *Preliminary Determination*, we stated that our review of U.S. import statistics from the PRC reveals that Laiwu did not account for all imports into the United States from the PRC. For this reason, we

determined that some PRC exporters of rebar failed to cooperate in this investigation. In accordance with our standard practice, as adverse facts available, we are assigning as the PRC-wide rate the higher of: (1) The highest margin stated in the notice of initiation; or (2) the margin calculated for Laiwu. See, e.g., *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products From The People's Republic of China*, 65 FR 34660 (May 31, 2000). For purposes of the final determination of this investigation, we are using the margin calculated for Laiwu since it is higher than the margin stated in the notice of initiation.

### Surrogate Country

For purposes of the final determination, we find that India remains the appropriate primary surrogate country for the PRC. For further discussion and analysis regarding the surrogate country selection for the PRC, see the Department's *Preliminary Determination*.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this proceeding and to which we have responded are listed in the Appendix to this notice and addressed in the *Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Steel Concrete Reinforcing Bars from China (Decision Memorandum)*, from Bernard T. Carreau, Deputy Assistant Secretary, Import Administration to Faryar Shirzad, Assistant Secretary for Import Administration, dated June 14, 2001, which is hereby adopted by this notice. Parties can find a complete discussion of the issues raised in this investigation and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit, room B-099 of the main Department building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the Decision Memorandum are identical in content.

### Changes Since the Preliminary Determination

Based on our findings at verification, and analysis of comments received, we have made adjustments to the calculation methodology in calculating the final dumping margin in this proceeding. These adjustments are summarized below:

<sup>1</sup> The petitioner in this investigation is the Rebar Trade Action Coalition (RTAC), and its individual members, AmerSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group.

1. For the export price, we have recalculated the inflator used to adjust the rate of brokerage and handling. For further details, see Comment 9 in the *Decision Memorandum*, and *Memorandum To the File, Analysis Memorandum for Laiwu Steel Group Ltd. and Laiwu Steel Corporation re: Final Determination (Analysis Memorandum)*, dated June 14, 2001.

2. With regard to two inputs into the production of rebar, iron ore concentrate and iron ore fines, a portion of these inputs was produced by Laiwu, and the remaining portion was purchased from suppliers. The valuation of the self-produced portion of these material inputs was based on adverse facts available because we found at verification that Laiwu misreported its corporate structure. Had we known prior to verification that certain divisions of Laiwu actually produced a portion of its iron ore concentrate and iron ore fines, we would have requested Laiwu's factors of production for these inputs. We used, as adverse facts available, the Egyptian 1998 non-agglomerated iron ore price from the *United Nation's Handbook of World Mineral Statistics, 1993-1998*, inflated to the POI. For the remaining portion of iron ore concentrate, which was purchased from domestic suppliers, with the exception of one transaction involving a market-economy country, we used a surrogate value from the Philippines because we could not find an appropriate surrogate value from India. Unlike the preliminary determination, we did not use the actual market-economy price because at verification we discovered that the transaction in question was unusual in that the iron ore purchased was not comparable to the iron ore concentrate normally used by Laiwu. For the remaining portion of iron ore fines, which was purchased from a market-economy country at market-economy prices, we continued to use the actual price paid by Laiwu. For further details, see Comment 1 in the *Decision Memorandum*, and the *Analysis Memorandum*.

3. For selling, general and administrative expenses (SG&A) and overhead, we used a simple average of the ratios derived from the financial statements of Tata Iron and Steel Company Limited and the Steel Authority of India (SAIL). With respect to profit, we used only TATA's profit rate because SAIL's financial statement does not reflect profit. For further details, see Comment 8 in the *Decision Memorandum*, and the *Analysis Memorandum*.

4. With respect to the by-products water slag and oxide iron skin, we have determined that the Indian values for those by-products were aberrational. For this reason, we based the value for water slag on pricing information provided in the *U.S. Geological Survey, Minerals, Commodities Summaries*, and the value for oxide iron skin on the *U.N. Commodity Trade Statistics for Indonesia*. For further details see Comment 5-B in the *Decision Memorandum*, and the *Analysis Memorandum*.

5. We did not offset the normal value for the by-product ammonia water because, at verification, Laiwu was unable to present evidence that it sold ammonia water to outside customers, or that the ammonia water was of a commercial value and had indeed been reintroduced in the production process of Laiwu's non-subject products. See Comment 5-C in the *Decision Memorandum*, and the *Analysis Memorandum*.

6. For the input hoist link, we granted Laiwu an offset to the cost of the hoist links equal to the value of the end-cutting scrap provided by Laiwu to the manufacturer of hoist link. See Comment 5-H of *Decision Memorandum*, and the *Analysis Memorandum*.

7. We corrected minor errors in the value of ferrosilicon and aluminum manganese to reflect the quantity and value of imports from only market-economy countries. See Comment 9 of the *Decision Memorandum*, and the *Analysis Memorandum*.

8. We revised the value of coal to reflect bituminous coal, and the value of coal fines to reflect anthracite coal. See Comment 5-E of the *Decision Memorandum*, and the *Analysis Memorandum*.

9. We revised the value of briquetting scrap to correspond to the value for cast iron scrap. See Comment 5-E of the *Decision Memorandum*, and the *Analysis Memorandum*.

#### Verification

As provided in section 782(i) of the Act, we verified the information submitted by the respondent for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondents.

#### Critical Circumstances

Based on new information on the record of this investigation and information provided in our preliminary affirmative critical circumstances

determination, we have determined, for purposes of the final determination, that critical circumstances exist for Laiwu Steel Group and the non-responding exporters. For further details, see the Memorandum from Case Analysts to Bernard T. Carreau, Deputy Assistant Secretary, Import Administration, *Antidumping Duty Investigation of Steel Concrete Reinforcing Bar from the People's Republic of China PRC—Final Affirmative Determination of Critical Circumstances*, dated June 14, 2001.

#### Final Margins

We determine that the following weighted-average dumping margins for the PRC exist:

Exporter/manufacturer	Weighted-average margin percentage
Laiwu Steel Group .....	133.00
PRC-Wide Rate .....	133.00

The PRC-wide rate applies to all entries of the subject merchandise except for entries from exporters/producers that are identified individually above.

#### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of steel concrete reinforcing bars from the PRC that are entered, or withdrawn from warehouse, for consumption on or after November 1, 2000, (*i.e.*, 90 days prior to the date of publication of the preliminary determinations in the *Federal Register*). The Customs Service shall continue to require a cash deposit or the posting of a bond based on the estimated weighted-average dumping margins shown below. The suspension of liquidation instructions will remain in effect until further notice.

#### ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing

Customs officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: June 14, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix

#### List of Comments in the Issues and Decision Memorandum

##### I. GENERAL ISSUES

Comment 1: Value of iron ore concentrate

Comment 2: Actual vs. theoretical weight

Comment 3: Calculation of SG&A and Overhead

Comment 4: Application of Overhead Ratio to the Upstream Stages of Production

Comment 5: Appropriate Surrogate Values and Treatment for Certain Material Inputs

Comment 6: Appropriate Rate for Ocean Freight

Comment 7: Re-calculating Overhead to Include the Cost of Minor Materials

Comment 8: Basis for Financial Ratios

Comment 9: Clerical Errors

[FR Doc. 01-15652 Filed 6-21-01; 8:45 am]

BILLING CODE 3510-DS-U

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-841-804]

#### Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Moldova

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

EFFECTIVE DATE: June 22, 2001.

##### FOR FURTHER INFORMATION CONTACT:

Nithya Nagarajan or Michele Mire at (202) 482-5253 or (202) 482-4711, respectively, AD/CVD Enforcement, Office 4, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

##### SUPPLEMENTARY INFORMATION:

#### The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as

amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (the Department) regulations are to 19 CFR part 351 (April 2000).

#### Final Determination

We determine that steel concrete reinforcing bar (rebar) from Moldova is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margin of sales at LTFV is shown in the *Final Determination of Investigation* section of this notice.

#### Case History

On January 30, 2001, the Department published the preliminary determination of the antidumping investigation of rebar from Moldova. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Moldova*, 66 FR 8333 (January 30, 2001) (*Preliminary Determination*). We conducted verification of the questionnaire responses of the respondent, JV CJSC Moldova Steel Works (MSW), during the week of March 18, 2001. We gave interested parties an opportunity to comment on our *Preliminary Determination* and our findings at verification. On April 26, 2001, MSW and the petitioner, the Rebar Trade Action Coalition<sup>1</sup>, submitted case briefs; and on May 1, 2001, both parties submitted rebuttal briefs. The Department received no requests for a public hearing.

Section 734(m) of the Act states that in the case of regional industry investigations, the administering authority shall offer exporters the opportunity to enter into suspension agreements. Proposed and finalized agreements in these cases must comport with the requirements set forth under section 734 of the Act for the suspension of antidumping duty investigations. The exporter participating in the instant investigation was aware of its opportunity to propose a suspension agreement. However, the Department did not accept a suspension agreement in this proceeding. See Memorandum from Holly A. Kuga to The File, dated March 30, 2001.

<sup>1</sup> The petitioner in this investigation is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group.

The Department has conducted this investigation in accordance with section 731 of the Act.

#### Scope of Investigation

For purposes of this investigation, 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 only. The written description of the scope of this proceeding is dispositive.

#### Period of Investigation

The period of investigation (POI) is October 1, 1999, through March 31, 2000. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, June 2000).

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this proceeding and to which we have responded are listed in the Appendix to this notice and addressed in the "Issues and Decision Memorandum" (*Decision Memorandum*), dated June 14, 2001, which is hereby adopted by this notice. Parties can find a complete discussion of the issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B-099 (B-099) of the main Department building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the *Decision Memorandum* are identical in content.

#### Changes Since the Preliminary Determination

Based on our findings at verification, and analysis of comments received, we have made adjustments to the preliminary determination calculation methodologies in calculating the final dumping margin in this proceeding. While we continued to use India as the surrogate country, we made the following changes: (1) We valued oxygen and nitrogen based upon MSW's reported factors of production, which were omitted inadvertently from the preliminary determination; (2) we valued lime and argon using United

Nations (UN) Commodity Trade Statistics for 1998; (3) we corrected the inflator for brokerage and handling expenses; (4) we corrected clerical errors in the calculations of surrogate financial ratios; and, (5) we based the date of sale on the date of beginning of production rather than the date of the commercial sales invoice. These adjustments are discussed in the *Decision Memorandum*.

**Verification**

As provided in section 782(i) of the Act, we verified the information submitted by the respondent for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

**Critical Circumstances**

In a letter filed on August 22, 2000, the petitioners alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from Moldova. On November 27, 2000, the Department published in the **Federal Register** its preliminary determination that critical circumstances exist for imports of rebar from Moldova.

See *Preliminary Determinations of Critical Circumstances: Steel Concrete Reinforcing Bars From Ukraine and Moldova*, 65 FR 70696 (November 27, 2000).

Since the preliminary determination, we received MSW's shipment data and, based upon these data, we find that critical circumstances do not exist for imports of rebar from Moldova. This determination is discussed in detail in the *Decision Memorandum* and in the Memorandum from Holly Kuga to Bernard T. Carreau, "Antidumping Duty Investigations of Steel Concrete Reinforcing Bar from Moldova—Final Negative Determination of Critical Circumstances," dated June 14, 2001.

**Final Determination of Investigation**

We determine that the following weighted-average percentage margin exists for the period October 1, 1999 through March 31, 2000:

Manufacturer/exporter	Margin (percent)
Moldova-Wide Rate .....	232.86

The Moldova-wide rate applies to all entries of the subject merchandise from Moldova.

**Continuation of Suspension of Liquidation**

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service (Customs) to continue to suspend liquidation of all entries of rebar from Moldova that are entered, or withdrawn from warehouse, for consumption on or after January 30, 2001 (the date of publication of the *Preliminary Determination* in the **Federal Register**). Customs shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. The suspension of liquidation instructions will remain in effect until further notice.

In addition, since we have determined that critical circumstances do not exist for imports of rebar from Moldova, we are also instructing Customs to terminate the suspension of liquidation of, and refund all cash deposits and release all bonds collected on, entries of rebar from Moldova entered, or withdrawn from warehouse, for consumption from November 1, 2000 (90 days prior to the publication of the *Preliminary Determination* in the **Federal Register**) to January 29, 2001.

**ITC Notification**

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury, or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: June 14, 2001.

Faryar Shirzad,  
Assistant Secretary for Import Administration.

**Appendix—Issues in Decision Memorandum**

1: Whether India is a Significant Producer of Comparable Merchandise

- 2: Quality of Surrogate Values for India
  - 3: Selection of Surrogate to Value Selling, General, and Administrative (SG&A) Expenses and Profit
  - 4: Market-Oriented Industry (MOI)
  - 5: Separate Rates
  - 6: Date of Sale
  - 7: Sales Database Errors
  - 8: Adjustments to Factors of Production (FOP)
  - 9: Calculation of Financial Ratios
- [FR Doc. 01-15741 Filed 6-21-01; 8:45 am]  
BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**  
[A-580-844]

**Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From the Republic of Korea**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.  
**EFFECTIVE DATE:** June 22, 2001.  
**FOR FURTHER INFORMATION CONTACT:** Mark Manning or Jeff Pedersen at (202) 482-3936 and (202) 482-4195, AD/CVD Enforcement, Group II, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:**

**The Applicable Statute**

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to 19 CFR Part 351 (2000).

**Final Determination**

We determine that steel concrete reinforcing bar (rebar) from the Republic of Korea (Korea) is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the *Final Determination of Investigation* section of this notice.

**Case History**

The preliminary determination in this investigation was published on January 30, 2001. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Concrete Reinforcing Bars From the Republic of*

Korea, 66 FR 8348 (January 30, 2001) (*Preliminary Determination*). Since the preliminary determination, we verified the questionnaire responses of Dongkuk Steel Mill Co., Ltd. (DSM) and Korea Iron & Steel Co., Ltd. (KISCO), the respondents, on February 12 through February 23, 2001, and on March 28 through March 30, 2001.<sup>1</sup> The petitioner<sup>2</sup> and respondent filed case briefs on May 21, 2001 and rebuttal briefs on May 29, 2001. A public hearing was not held for this investigation because the petitioner and respondent withdrew their request for such a hearing on June 1, 2001 and June 8, 2001, respectively.

Section 734(m) of the Act states that in the case of regional industry investigations, the administering authority shall offer exporters the opportunity to enter into suspension agreements. Proposed and finalized agreements in these cases must comport with the requirements set forth under section 734 of the Act for the suspension of antidumping duty investigations. All exporters participating in the instant investigation were aware of their opportunity to propose suspension agreements. See Memorandum from Holly A. Kuga to The File, "Opportunity to Propose Suspension Agreements," dated March 30, 2001.

The Department has conducted this investigation in accordance with section 731 of the Act.

**Scope of Investigation**

For purposes of this investigation, the product covered is all 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.

<sup>1</sup> The Department collapsed DSM and KISCO into a single entity, referred to as DSM/KISCO, for the purposes of this antidumping investigation. See Memorandum from Ronald Trentham to Tom Futtner, "Decision Memorandum: Whether to Collapse Dongkuk Steel Mill Co., Ltd. and Korea Iron and Steel Co., Ltd. into a Single Entity," dated December 5, 2000.

<sup>2</sup> The petitioner in the rebar investigations is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group. (Auburn Steel was not a petitioner in the Indonesia case).

**Period of Investigation**

The period of investigation (POI) is April 1, 1999, through March 31, 2000. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, June 2000).

**Verification**

As provided in section 782(i) of the Act, we verified the information submitted by the respondents for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondents.

**Use of Facts Available**

In the preliminary determination, the Department determined that the application of total adverse facts available (FA) was appropriate with respect to Hanbo Iron & Steel Co., Ltd. (Hanbo), a mandatory respondent that failed to respond to the Department's questionnaire. As FA, the Department applied a margin rate of 102.28 percent, the highest alleged margin for Korea in the petition. The interested parties did not object to the use of adverse facts available for Hanbo, or to the Department's choice of facts available, and no new facts were submitted which would cause the Department to revisit this decision. Therefore, for the reasons set out in the preliminary determination, we have continued to use the highest margin alleged by the petitioner for the purposes of this final determination notice.

**Analysis of Comments Received**

All issues raised in the case and rebuttal briefs by parties to this proceeding and to which we have responded are listed in the Appendix to this notice and addressed in the Memorandum from Bernard T. Carreau to Faryar Shirzad, "Issues Memorandum for the Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from the Republic of Korea," dated June 14, 2001 (*Issues Memorandum*), which is hereby adopted by this notice. Parties can find a complete discussion of the issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B-099 of the main Department building. In addition, a complete version of the *Issues Memorandum* can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the *Issues Memorandum* are identical in content.

**Changes Since the Preliminary Determination**

Based on our findings at verification, and analysis of comments received, we have made adjustments to the calculation methodologies in calculating the final dumping margin in this proceeding. We made the following changes: (1) Revised DSM and KISCO's inventory carrying cost, (2) deducted a new U.S. direct selling expense, USBANKU, in our calculation of the net U.S. price for sales through DSM's U.S. affiliate, (3) adjusted KISCO's general and administrative (G&A) expense rate and interest expense rate, and (4) adjusted DSM's G&A expense rate and interest expense rate. For a further discussion of these changes, see Memorandum from Mark Manning to the File, "Calculation Memorandum of the Final Determination for the Investigation of Dongkuk Steel Mill Co., Ltd., and Korea Iron & Steel Co., Ltd.," June 14, 2001; Memorandum from Michael Harrison to Neal Halper, "Cost of Production and Constructed Value Calculation Adjustments for the Final Determination," June 14, 2001; and Memorandum from Robert Greger to Neal Halper, "Cost of Production and Constructed Value Calculation Adjustments for the Final Determination," June 14, 2001.

**Critical Circumstances**

Based on our analysis of the information on the record of this investigation, we have determined, for purposes of the final determination, that critical circumstances do not exist with respect to imports of rebar from DSM/KISCO and the "all others" companies, but do exist with respect to imports of rebar from Hanbo. For further details, see Memorandum from Holly A. Kuga to Bernard T. Carreau, "Antidumping Duty Investigation of Steel Concrete Reinforcing Bars from the Republic of Korea—Final Determination of Critical Circumstances," dated June 14, 2001.

**Final Determination of Investigation**

We determine that the following weighted-average percentage margins exist for the period April 1, 1999 through March 31, 2000:

Manufacturer/exporter	Margin (percent)
Dongkuk Steel Mill Co., Ltd./ Korea Iron & Steel Co., Ltd. ....	22.89
Hambo Iron & Steel Co., Ltd. ....	102.28
All Others .....	22.89

### Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service to continue to suspend liquidation of all entries of rebar from Korea that are entered, or withdrawn from warehouse, for consumption on or after January 30, 2001 (the date of publication of the *Preliminary Determination* in the **Federal Register**). In the case of rebar produced by Hanbo, because of our affirmative critical circumstances finding, and in accordance with section 735(a)(3) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all entries of rebar produced by Hanbo that are entered, or withdrawn from warehouse, for consumption on or after November 1, 2000, which is 90 days prior to the date the *Preliminary Determination* was published in the **Federal Register**. The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. The suspension of liquidation instructions will remain in effect until further notice.

### International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury, or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: June 14, 2001.

Faryar Shirzad,  
*Assistant Secretary for Import Administration.*

### Appendix—Topics in Issues Memorandum

#### *Issues Relating to Both DSM and KISCO*

1. Collapsing
2. Allocation of Selling, General, and Administrative Expenses

#### *Issues Relating to DSM*

3. Level of Trade Adjustment
4. Inventory Carrying Cost
5. U.S. Short-Term Interest Rate Calculation
6. Unreported Affiliated Party
7. Gain on Disposal of Fixed Assets
8. Short-Term Interest Expense Rate
9. Foreign Exchange Gains and Losses
10. Scrap Recovery

#### *Issues Relating to KISCO*

11. U.S. Short-term Interest Rate Calculation
12. Upward Price Adjustments
13. General and Administrative Expenses

[FR Doc. 01-15742 Filed 6-21-01; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-822-804]

### Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From Belarus

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

**EFFECTIVE DATE:** June 22, 2001.

**FOR FURTHER INFORMATION CONTACT:** Alexander Amdur or Karine Gziryan at (202) 482-5346 or (202) 482-4081, respectively, AD/CVD Enforcement, Group II, Office 4 Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### **SUPPLEMENTARY INFORMATION:**

#### **The Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to 19 CFR part 351 (April 2000).

### Final Determination

We determine that steel concrete reinforcing bar (rebar) from Belarus is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margin of sales at LTFV is shown in the *Final Determination of Investigation* section of this notice.

### Case History

On January 30, 2001, the Department published the preliminary determination of the antidumping investigation of steel concrete reinforcing bars from Belarus. See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Belarus*, 66 FR 8329 (January 30, 2001) (*Preliminary Determination*). We conducted verification of the questionnaire responses of the respondent, Byelorussian Steel Works (BSW), during the week of March 11, 2001. We gave interested parties an opportunity to comment on our preliminary determination and the findings at verification. On April 25, 2001, BSW and the petitioner, the Rebar Trade Action Coalition,<sup>1</sup> submitted case briefs; and on April 30, 2001, both parties submitted rebuttal briefs. The Department received no requests for a public hearing.

Section 734(m) of the Act states that in the case of regional industry investigations, the administering authority shall offer exporters the opportunity to enter into suspension agreements. Proposed and finalized agreements in these cases must comport with the requirements set forth under section 734 of the Act for the suspension of antidumping duty investigations. The exporter participating in the instant investigation was aware of its opportunity to propose a suspension agreement. However, the Department did not accept a suspension agreement in this proceeding. See Memorandum from Holly A. Kuga to The File, dated March 30, 2001.

The Department has conducted this investigation in accordance with section 731 of the Act.

### Scope of Investigation

For purposes of this investigation, the product covered is all steel concrete reinforcing bars (rebar) sold in straight lengths, currently classifiable in the

<sup>1</sup> The petitioner in this investigation is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group.



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.

**Period of Investigation**

The period of investigation (POI) is October 1, 1999, through March 31, 2000. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, June 2000).

**Analysis of Comments Received**

All issues raised in the case and rebuttal briefs by parties to this proceeding and to which we have responded are listed in the Appendix to this notice and addressed in the "Issues and Decision Memorandum" (Decision Memorandum), dated June 14, 2001, which is hereby adopted by this notice. Parties can find a complete discussion of the issues raised in this investigation and the corresponding recommendations in the public Decision Memorandum which is on file in the Central Records Unit, room B-099 of the main Department building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov>. The paper copy and electronic version of the Decision Memorandum are identical in content.

**Changes Since the Preliminary Determination**

Based on our findings at verification and our analysis of comments received, we have made adjustments to the preliminary determination calculation methodologies in calculating the final dumping margin in this proceeding. The summary of these adjustments is discussed below:

1. We recalculated BSW's factors of production based on the actual factors consumed by BSW during the POI. For further details, see Comments 3 and 5 in the *Decision Memorandum* for the instant investigation.
2. We excluded sales outside the POI from our calculations. For further details, see Comment 4 in the *Decision Memorandum* for the instant investigation.
3. Based on our verification findings, we corrected: (1) the reported quantity for one sale; and (2) the distances used in the freight valuation for scrap steel.

4. We used the updated 1999 Thai import values that were placed on the record since the preliminary determination, where appropriate, to value factors of production.

For further details of our calculations, see Memorandum on Factors of Production Valuation and Calculation dated June 14, 2001.

**Verification**

As provided in section 782(i) of the Act, we verified the information submitted by the respondent for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

**Critical Circumstances**

In a letter filed on August 22, 2000, the petitioner alleged that there is a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of rebar from Belarus. On January 30, 2001, the Department published in the **Federal Register** its preliminary determination that critical circumstances do not exist for imports of rebar from Belarus. See *Preliminary Determination*, 66 FR at 8329-8330, see also Memorandum from Tom Futtner to Holly A. Kuga, "Antidumping Duty Investigation of Steel Concrete Reinforcing Bars from Belarus—Preliminary Negative Determination of Critical Circumstances," dated January 16, 2001.

Since the preliminary determination, we have received comments on the issue of critical circumstances from the petitioner and BSW. After consideration of these comments, which are discussed in detail in the Decision Memorandum, we find that critical circumstances do not exist for imports of rebar from Belarus. This determination is discussed in detail in the Decision Memorandum and in the Memorandum from Holly A. Kuga to Bernard T. Carreau, "Antidumping Duty Investigation of Steel Concrete Reinforcing Bars from Belarus—Final Negative Determination of Critical Circumstances," dated June 14, 2001.

**Final Determination of Investigation**

We determine that the following weighted-average percentage dumping margin exists for Belarus for the period October 1, 1999 through March 31, 2000:

Manufacturer/exporter	Margin (percent)
Belarus-Wide Rate .....	114.53

The Belarus-wide rate applies to all entries of the subject merchandise from Belarus.

**Continuation of Suspension of Liquidation**

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service to continue to suspend liquidation of all entries of rebar from Belarus that are entered, or withdrawn from warehouse, for consumption on or after January 30, 2001 (the date of publication of the *Preliminary Determination* in the **Federal Register**). The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. The suspension of liquidation instructions will remain in effect until further notice.

**ITC Notification**

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an industry in the United States. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: June 14, 2001.

Faryar Shirzad,  
Assistant Secretary for Import Administration.

**Appendix—Issues in Decision Memorandum**

1. The Surrogate Market Economy Country for Belarus
2. The Surrogate Values for Factory Overhead, SG&A Expenses, and Profit
3. Reporting Period for Factors of Production
4. Sales Outside of the Period of Investigation
5. The Valuation of Pig Iron and Iron Pellets
6. Critical Circumstances

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-449-804]

**Notice of Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From Latvia**

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

**EFFECTIVE DATE:** June 22, 2001.

**ACTION:** Notice of final determinations of sales at less than fair value.

**FOR FURTHER INFORMATION CONTACT:** Christopher Smith or Gabriel Adler, at (202) 482-1442 or (202) 482-3813, respectively; AD/CVD Enforcement, Office 5, Group II, Import Administration, Room 1870, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:**

**The Applicable Statute**

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 Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (April 2001).

**Final Determination**

We determine that steel concrete reinforcing bars (rebar) from Latvia are being sold, or are likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the *Continuation of Suspension of Liquidation* section of this notice.

**Case History**

The preliminary determination in this investigation was issued on January 16, 2001. See *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Steel Concrete Reinforcing Bars From Latvia*, 66 FR 8348 (January 30, 2001) (*Preliminary Determination*). The petitioner<sup>1</sup> and the sole respondent, JSC Liepajas Metalurgs

<sup>1</sup> The petitioner in this investigation is the Rebar Trade Action Coalition (RTAC), and its individual members, AmeriSteel, Auburn Steel Co., Inc., Birmingham Steel Corp., Border Steel, Inc., Marion Steel Company, Riverview Steel, and Nucor Steel and CMC Steel Group.

(LM), filed case briefs on May 8, 2001, and rebuttal briefs on May 14, 2001.

Section 734(m) of the Act states that in the case of regional industry investigations, the administering authority shall offer exporters the opportunity to enter into suspension agreements. Proposed and finalized agreements in these cases must comport with the requirements set forth under section 734 of the Act for the suspension of antidumping duty investigations. The exporter participating in the instant investigation was aware of its opportunity to propose a suspension agreement. However, the Department did not accept a suspension agreement in this proceeding. See Memorandum from Holly A. Kuga to The File, dated April 2, 2001.

**Scope of Investigation**

For purposes of this investigation, the product covered is all steel concrete reinforcing bars 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.

**Period of Investigation**

The period of investigation (POI) is April 1, 1999, through March 31, 2000. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, June 2000).

**Verification**

As provided in section 782(i) of the Act, we conducted verification of the cost and sales information submitted by LM from February 26 through March 2, 2001, and April 9 through April 13, 2001, respectively. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

**Analysis of Comments Received**

All issues raised in the case and rebuttal briefs by parties to this antidumping proceeding are listed in the Appendix to this notice and addressed in the *Decision Memorandum* for the instant investigation, dated June 14, 2001, which is hereby adopted by this notice. The *Decision Memorandum* for this case is on file in room B-099 of the main Department of Commerce

building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the World Wide Web at <http://ia.ita.doc.gov/frn/summary/list.htm>. The paper and electronic versions of the *Decision Memorandum* are identical in content.

**Changes Since the Preliminary Determinations**

Based on our findings at verification and analysis of comments received, we have made adjustments to the calculation methodology in calculating the final dumping margins in this proceeding. These adjustments are discussed in detail in the *Decision Memorandum*. For the final determination, we (1) revised the reported brokerage expense for the U.S. and German markets to account for the respondent's clerical errors and a verification finding; and (2) revised the general and administrative expense ratio to account for findings at verification.

**Critical Circumstances**

Based on our analysis of the information on the record of this investigation, we have determined, for purposes of the final determination, that critical circumstances do not exist with respect to imports of rebar from Latvia. For further details, see Memorandum from Gary Taverman to Bernard T. Carreau, "Antidumping Duty Investigation of Steel Concrete Reinforcing Bars from Latvia—Final Determination of Critical Circumstances," dated June 14, 2001.

**Final Determination of Investigation**

We determine that the following weighted-average percentage dumping margins for Latvia exist in the period April 1, 1999, through March 31, 2000:

Manufacturer/exporter	Margin (percent)
Liepajas Metalurgs .....	17.21
All Others .....	17.21

**Continuation of Suspension of Liquidation**

Pursuant to section 735(c)(1)(B) of the Act, we are instructing the U.S. Customs Service to continue to suspend liquidation of all entries of rebar from Latvia that are entered, or withdrawn from warehouse, for consumption on or after January 30, 2001 (the date of publication of the *Preliminary Determination in the Federal Register*). The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. The



suspension of liquidation instructions will remain in effect until further notice

#### **International Trade Commission Notification**

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether imports of subject merchandise are causing material injury, or threaten material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, the proceedings will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs Service officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: June 14, 2001.

Faryar Shirzad,  
*Assistant Secretary for Import Administration.*

#### **Appendix—Issues in Decision Memorandum**

1. Whether LM Is Affiliated with a Trading Company
2. Facts Available
3. Brokerage Expenses in the Third Country Market
4. Inclusion of Non-Operating Expenses in Revised G&A Ratio
5. Credit Expenses

[FR Doc. 01-15744 Filed 6-21-01; 8:45 am]

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**APPENDIX B**  
**MODEL RESULTS**



**Table B-1**  
**Model results for Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine**

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**Table B-2**  
**COMPAS model inputs and results - all subject countries**

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**Table B-3**  
**COMPAS model inputs and results - Belarus**

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**Table B-4**  
**COMPAS model inputs and results - China**

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**Table B-5**  
**COMPAS model inputs and results - Indonesia**

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**Table B-6**  
**COMPAS model inputs and results - Korea**

\* \* \* \* \*

**Table B-7**  
**COMPAS model inputs and results - Latvia**

\* \* \* \* \*

**Table B-8**  
**COMPAS model inputs and results - Moldova**

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**Table B-9**  
**COMPAS model inputs and results - Poland**

\* \* \* \* \*

**Table B-10**  
**COMPAS model inputs and results - Ukraine**

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