

**DEPARTMENT OF COMMERCE****International Trade Administration**

A-428-839

A-489-814

A-570-902

**Initiation of Antidumping Duty Investigations: Carbon and Certain Alloy Steel Wire Rod from Germany, Turkey, and the People's Republic of China**

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

**EFFECTIVE DATE:** December 7, 2005.

**FOR FURTHER INFORMATION CONTACT:**

Tyler Weinhold (Germany), John Drury (Turkey), or Matthew Renkey (People's Republic of China), AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1121, (202) 482-0195 and (202) 482-2312, respectively.

**SUPPLEMENTARY INFORMATION:****INITIATION OF INVESTIGATIONS****The Petitions**

On November 10, 2005, the Department of Commerce ("the Department") received Petitions ("the Petitions") concerning imports of carbon and certain alloy steel wire rod ("CASWR") from Germany ("German Petition"), Turkey ("Turkish Petition"), and the People's Republic of China ("PRC") ("PRC Petition") filed in proper form by Connecticut Steel Corp., Gerdau Ameristeel U.S. Inc., Keystone Consolidated Industries, Inc., ISG Georgetown, Inc. (Mittal Steel U.S.A. Georgetown), and Rocky Mountain Steel Mills ("Petitioners") on behalf of the domestic industry producing CASWR. The period of investigation ("POI") for Germany and Turkey is October 1, 2004, through September 30, 2005. The POI for the PRC is April 1, 2005, through September 30, 2005.

In accordance with section 732(b) of the Tariff Act of 1930, as amended ("the Act"), Petitioners alleged that imports of CASWR from Germany, Turkey and the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring and threaten to injure an industry in the United States.

**Scope of Investigations**

The merchandise subject to this scope is certain hot-rolled products of carbon steel and alloy steel, in coils, of

approximately circular cross section, 4.75 mm or more, but less than 19.00 mm, in solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States ("HTSUS") definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars. Also excluded are free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium).

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope. The products under review are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3092, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7213.99.0090, 7227.20.0000, and 7227.90.6050 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

#### Comments on Scope of Investigations

During our review of the Petitions, we discussed the scope with Petitioners to ensure that it accurately reflects the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage. See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997). The Department encourages all interested parties to submit such comments within 20 calendar days of publication of this initiation notice. Comments should be addressed to Import Administration's Central Records Unit in Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230 - Attention: Robert James. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with interested parties prior to the issuance of the preliminary determinations.

#### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed by or on behalf

of the domestic industry. In order to determine whether a petition has been filed by or on behalf of the industry, the Department, pursuant to section 732(c)(4)(A) of the Act, determines whether a minimum percentage of the relevant industry supports the petition. A petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method.

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission ("ITC"), which is responsible for determining whether the domestic industry has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001), citing *Algoma Steel Corp. Ltd. v. United States*, 688 F. Supp. 639, 644 (1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is

"the article subject to an investigation," (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of the investigation. See *Germany Initiation Checklist*, *Turkey Initiation Checklist*, and *PRC Initiation Checklist* at Attachment II (Industry Support). Based on our analysis of the information submitted in the Petitions we have determined there is a single domestic like product, carbon and certain alloy steel wire rod, and we have analyzed industry support in terms of that domestic like product.

Our review of the data provided in the Petitions, Supplements to the Petitions, dated November 18, 2005, and November 22, 2005, and other information readily available to the Department indicates that Petitioners have established industry support representing at least 25 percent of the total production of the domestic like product; and more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the Petitions, requiring no further action by the Department pursuant to section 732(c)(4)(D) of the Act. In addition, the Department received no opposition to the Petitions from domestic producers of the like product. Therefore, the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product, and the requirements of section 732(c)(4)(A)(i) of the Act are met. Furthermore, the domestic producers who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. Thus, the requirements of section 732(c)(4)(A)(ii) of the Act also are met. Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. See *Germany Initiation Checklist*, *Turkey Initiation Checklist*, and *PRC Initiation Checklist* at Attachment II (Industry Support).

The Department finds that Petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(E) and (F) of the Act and have demonstrated sufficient industry support with respect to the antidumping investigations that it is requesting the Department initiate. See *Germany*

*Initiation Checklist, Turkey Initiation Checklist, and PRC Initiation Checklist* at Attachment II (Industry Support).

#### U.S. Price and Normal Value

The following is a description of the allegation of sales at less than fair value upon which the Department based its decision to initiate these investigations on Germany, Turkey, and the PRC. The sources of data for the deductions and adjustments relating to the U.S. price, home-market price (Germany and Turkey), constructed value (Germany and Turkey), and the factors of production (PRC only) are also discussed in the country-specific *Initiation Checklist*. See *Germany Initiation Checklist, Turkey Initiation Checklist, and PRC Initiation Checklist*. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we will reexamine the information and revise the margin calculations, if appropriate.

#### Turkey

##### Export Price ("EP")

Petitioners based U.S. price on EP. Petitioners obtained a price for a sale to an end user of the subject merchandise within the POI. Petitioners provided an affidavit with the information. See Volume II of the Turkish Petition at Exhibit 5. The price quoted is for a specific grade, quality, and diameter falling within the scope of this petition. Export price was the basis for U.S. price because CASWR was offered for sale to an unaffiliated U.S. purchaser prior to the date of importation. Petitioners deducted from the offer price the expenses associated with exporting and delivering the product: foreign inland freight, foreign brokerage and handling, ocean freight and insurance, U.S. port charges, and a three percent trading company markup, which was based upon research from a market research company as customary for this type of transaction. See Volume II of the Turkish Petition at page 5, Exhibit 6, and Exhibit 9. In addition, Petitioners adjusted for differences in imputed credit expenses by subtracting home market credit expenses to the home market price and by adding U.S. imputed credit expenses to the home market price. See Volume II of the Turkish Petition at Exhibit 6, and Supplement to the Turkish Petition, dated November 18, 2005, at Revised Exhibit 10, and Supplement to the Turkish Petition, dated November 22, 2005 at 2nd Revised Exhibit 6.

The price quoted was delivered to the customer and included foreign inland freight, and insurance, U.S. import duties and port fees, U.S. inland freight, and an estimated trading company resale markup. See Volume II of the Turkish Petition at Exhibit 6, and Supplement to the Turkish Petition, dated November 18, 2005, at Revised Exhibit 10, and Supplement to the Turkish Petition, dated November 22, 2005, at 2nd Revised Exhibit 6.

##### Normal Value ("NV")

To calculate NV, Petitioners provided a price quote from Habas Sinai ve Tibbi Galar Istihsal Endustrisi AS ("Habas Sinai"), a Turkish producer of CASWR. The information was obtained from a confidential market research company. The price quote is for a specific grade, quality and diameter falling within the scope of this petition, with FOB mill (*i.e.*, ex-works) delivery terms. See Volume II of the Turkish Petition at pages 1–2 and Memorandum to the File, Telephone Call to Market Research Firm Regarding the Antidumping Petition on Carbon and Certain Alloy Steel Wire Rod (CASWR) from Turkey dated November 18, 2005. Petitioners made adjustments for imputed credit expenses. See Volume II of the Turkish Petition at Exhibit 3 and 4, and Supplement to the Turkish Petition, dated November 18, 2005, at Attachment 1 and Revised Exhibit 10. The Turkish HM price per metric ton was converted to short tons using the standard conversion factor. No additional adjustments were made to derive the HM price.

##### Cost of Production

Petitioners have provided information demonstrating reasonable grounds to believe or suspect that sales of CASWR in the home market were made at prices below the fully absorbed cost of production ("COP"), within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing ("COM"); selling, general and administrative ("SG&A") expenses; financial expenses; and packing expenses. Petitioners calculated COM and packing expenses based on the weighted-averaged production experiences of U.S. CASWR producers during the POI, adjusted for known differences between the costs incurred to manufacture CASWR in the United States and in Turkey using publicly available data. To calculate SG&A and financial expenses, Petitioner relied on

the fiscal year 2003 financial statements of Habas Sinai.

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

##### Normal Value based on Constructed Value ("CV")

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, Petitioners also based NV on CV. Petitioners calculated CV using the same COM, SG&A, financial and packing figures used to compute the COP. Petitioners then calculated profit based on the FY 2003 financial statements of a Turkish CASWR producer, Habas Sinai. See *Turkey Initiation Checklist*.

#### Germany

##### Export Price

To calculate EP, Petitioners obtained a price for a sale of subject merchandise, made within the POI, manufactured by B.E.S. Brandenburger Electro Stahlwerke, GmbH ("Brandenburger") and sold through Brandenburger's affiliated trading company, Riva Stahl. Petitioners provided an affidavit with this information. See Volume II of the German Petition at page 2 and Exhibit 5. The price quoted is for a specific grade, quality, and diameter falling within the scope of this petition.

The price quoted was FOB U.S. port, and included foreign inland freight charges, ocean freight and insurance from Germany, and U.S. port fees. See Volume II of the German Petition at pages 2, 3, and 4 and Exhibit 5, and Supplement to the German Petition, dated November 18, 2005, at Attachment 1.

Petitioners deducted a three percent mark-up based upon the actual experience of Stemcor, an international steel trading company, as a publicly available surrogate for Riva's experiences. See Volume II of the German Petition at pages 2 and 3 and Exhibit 8 and Supplement to the German Petition, dated November 18, 2005, at Attachment 1.

##### Normal Value

To calculate NV, Petitioners obtained a price for subject merchandise, as offered for sale by Brandenburger to an unaffiliated customer in the home market. This information was provided by a market researcher. The price quote

is for a specific grade, quality, and diameter falling within the scope of this petition. See Supplement to the German Petition, dated November 19, 2005, Foreign Market Research Declaration, and Memorandum to the File, Telephone Call to Market Research Firm Regarding the Antidumping Petition on Carbon and Certain Alloy Steel Wire Rod (CASWR) from Germany dated November 18, 2005.

Petitioners made adjustments to home market gross price for foreign inland freight expense and imputed credit expense. See Volume II of the German Petition at pages 1 and 2 and Exhibit 2 and Supplement to the Petition, dated November 15, 2005, Foreign Market Research Declaration at Exhibit 1. To calculate the reported foreign inland freight, petitioners relied on a survey of quotes gathered by the market researcher. See Memorandum to the File, Telephone Call to Market Research Firm Regarding the Antidumping Petition on CASWR from Germany dated November 18, 2005.

#### Cost of Production

Petitioners have provided information demonstrating reasonable grounds to believe or suspect that sales of CASWR in the home market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. Petitioners calculated COM and packing expenses based on the weight-averaged production experiences of certain U.S. CASWR producers during the POI, adjusted for known differences between the costs incurred to manufacture CASWR in the United States and in Germany. To calculate SG&A and financial expenses, Petitioners relied on the fiscal year 2003 financial statements of Brandenburger.

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

#### Normal Value Based on Constructed Value

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, petitioners also based NV on CV. Petitioners calculated CV using the same COM, SG&A, financial, and packing figures used to compute the COP. See Volume II of the Petition at page 2 and Exhibit 1.

Petitioners then calculated profit based on the FY 2004 financial statements of two German producers of the same general class of merchandise. See *Germany Initiation Checklist*.

#### PRC

##### Export Price

Petitioners based their U.S. price on information regarding a Chinese quoted offer price as relayed by a U.S. customer. Petitioners based U.S. price on EP because the offer was made by an unidentified trading company to a U.S. customer. The Department deducted from the offer price the expenses associated with exporting and delivering the product: foreign inland freight, foreign brokerage and handling, ocean freight and insurance, U.S. port charges, and trading company markup. See *PRC Initiation Checklist*.

##### Normal Value

The Petitioners stated that the PRC is a non-market economy ("NME") and no determination to the contrary has yet been made by the Department. In previous investigations, the Department has determined that the PRC is an NME. See *Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates From the People's Republic of China*, 70 FR 24502 (May 10, 2005), *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Critical Circumstances: Magnesium Metal from the People's Republic of China*, 70 FR 9037 (February 24, 2005) and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Tissue Paper Products from the People's Republic of China*, 70 FR 7475 (February 14, 2005). In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and remains in effect for purposes of the initiation of this investigation. Accordingly, because available information does not permit the NV of the merchandise to be determined under section 773(a) of the Act, the NV of the product is appropriately based on factors of production valued in a surrogate market-economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

The Petitioners identified India as the surrogate country arguing that India is

an appropriate surrogate, pursuant to section 773(c)(4) of the Act, because it is a market-economy country that is at a comparable level of economic development to the PRC and is a significant producer and exporter of CASWR. See Volume II of the Petition at pages 6-7. Based on the information provided by the Petitioners, we believe that its use of India as a surrogate country is appropriate for purposes of initiating this investigation. After the initiation of the investigation, the Department will solicit comments regarding surrogate country selection. Also, pursuant to 19 CFR 351.301(c)(3)(i), interested parties will be provided an opportunity to submit publicly available information to value factors of production within 40 days after the date of publication of the preliminary determination.

The Petitioners explained that the production process for CASWR occurs in two stages: the melt shop and rolling mill. In the melt shop a furnace melts scrap steel or pig iron. The molten steel then enters a continuous caster which casts the liquid steel into billets. Next, in the rolling mill, the billets are reheated, rolled into CASWR, cooled, coiled and bundled for shipment. See Volume II of the Petition at page 9. The Petitioners stated that the manufacturing cost of CASWR in the United States is typical of world-wide steel making costs and, therefore, the use of the U.S. producers' production costs and/or consumption rates represents the best information reasonably available to the Petitioners at this time. See Volume II of the Petition at page 8. In building-up the factors of production, the Petitioners started with inputs into the production of billets as the primary input in CASWR.

The Petitioners provided a dumping margin calculation using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C). See Volume II of the Petition at Exhibit 18, and Supplement to the Petition, dated November 18, 2005, at Attachment 3. To determine, for each raw material, the quantities of inputs used by the PRC manufacturers to produce CASWR, the Petitioners relied on the production experience and actual consumption rates of three U.S. CASWR producers. See *PRC Initiation Checklist*.

In accordance with section 773(c)(4) of the Act, the Petitioners valued factors of production, where possible, using reasonably available, public surrogate country data. To value certain factors of production, the Petitioners used *Monthly Statistics of the Foreign Trade of India*, as published by the Directorate General of Commercial Intelligence and

Statistics of the Ministry of Commerce and Industry, Government of India, and compiled by *World Trade Atlas* (“WTA”). See *PRC Initiation Checklist*.

For values expressed in Indian rupees, the Department used a simple average of the daily exchange rate for the POI to convert these values from rupees to U.S. dollars in accordance with our standard practice. The Petitioners used a different source for their exchange rates since rates covering the entire POI were not yet available on Import Administration’s website at the time that the Petitioners filed the PRC Petition. However, such rates are now available at [ia.ita.doc.gov/exchange/india.txt](http://ia.ita.doc.gov/exchange/india.txt), and we have used them in our calculations. See *PRC Initiation Checklist*.

The Department calculates and publishes the surrogate values for labor to be used in NME cases on its website. Therefore, to value labor, the Petitioners used a labor rate of \$0.97 per hour, in accordance with the Department’s regulations. See 19 CFR 351.408(c)(3) and Supplement to the Petition, dated November 18, 2005, at Attachment 3.

The Petitioners calculated surrogate financial ratios (overhead, SG&A, and profit) using information obtained from the Tata Iron and Steel Company Ltd. (“Tata”) 2004–2005 Annual Report. See Volume II of the Petition at pages 15–17 and Exhibit 17. Tata is an Indian producer of CASWR. In this case, the Department has accepted the financial information from the Tata 2004–2005 Annual Report for the purposes of initiation, because these data appear to be the best information currently available to the Petitioners. However, the Department has made certain changes to the Petitioners’ financial ratio calculations. See *PRC Initiation Checklist*.

#### Fair Value Comparisons

Based on the data provided by Petitioners, there is reason to believe that imports of CASWR from Germany, Turkey and the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV, calculated in accordance with section 773(a) of the Act, and of EP to CV, the range of the revised estimated dumping margins for CASWR are 50.25 percent to 81.88 percent for Germany, and 29.23 percent to 77.76 percent for Turkey. Based on comparisons of EP to NV, calculated in accordance with section 773(c) of the Act, the estimated revised weighted-average dumping margin for CASWR from the PRC is 321.76 percent.

#### Allegations and Evidence of Material Injury and Causation

With regard to Germany, Turkey and the PRC, Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the individual and cumulated imports of the subject merchandise sold at less than NV. Petitioners contend that the industry’s injured condition is illustrated by the decline in customer base, lost sales, market share, domestic shipments, prices and profit. We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. See *Germany Initiation Checklist*, *Turkey Initiation Checklist*, and *PRC Initiation Checklist* at Attachment III (Injury).

#### Initiation of Antidumping Investigations

Based upon our examination of the Petitions on CASWR, we find that these Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of CASWR are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determinations no later than 140 days after the date of these initiations.

#### Separate Rates and Quantity and Value Questionnaire

The Department recently modified the process by which exporters and producers may obtain separate-rate status in NME investigations. See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries (*Separate Rates and Combination Rates Bulletin*), (April 5, 2005), available on the Department’s Website at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. The process now requires the submission of a separate-rate status application. Based on our experience in processing the separate rates applications in the antidumping duty investigations of *Artists Canvas*, *Diamond Sawblades* and *CLPP* (see *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People’s Republic of China*, 70 FR 21996, 21999 (April 28, 2005), *Initiation of Antidumping Duty Investigations: Diamond Sawblades and Parts Thereof from the People’s Republic of China and the Republic of*

*Korea*, 70 FR 35625, 35629 (June 21, 2005), and *Initiation of Antidumping Duty Investigations: Certain Lined Paper Products from India, Indonesia, and the People’s Republic of China*, 70 FR 58374, 58379 (October 6, 2005)), we have modified the application for this investigation to make it more administrable and easier for applicants to complete. The specific requirements for submitting the separate-rates application in this investigation are outlined in detail in the application itself, which will be available on the Department’s Website at <http://ia.ita.doc.gov> on the date of publication of this initiation notice in the **Federal Register**. Please refer to this application for all instructions.

#### NME Respondent Selection and Quantity and Value Questionnaire

For NME investigations, it is the Department’s practice to request quantity and value information from all known exporters identified in the petition. In addition, the Department typically requests the assistance of the NME government in transmitting the Department’s quantity and value questionnaire to all companies who manufacture and export subject merchandise to the United States, as well as to manufacturers who produce the subject merchandise for companies who were engaged in exporting subject merchandise to the United States during the period of investigation. The quantity and value data received from NME exporters is used as the basis to select the mandatory respondents. Although many NME exporters respond to the quantity and value information request, at times some exporters may not have received the quantity and value questionnaire or may not have received it in time to respond by the specified deadline.

The Department is now publicizing its requirement that quantity and value responses must be submitted for both the quantity and value questionnaire and the separate-rates application by the respective deadlines in order to receive consideration for separate-rate status. This new procedure will be applied to all future investigations. Appendix I of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the IA Website (<http://ia.ita.doc.gov>). This quantity and value questionnaire is due no later than 15 calendar days from the date of publication of this notice. Consistent with Department practice, if a deadline

falls on a weekend, federal holiday, or any other day when the Department is closed, the Department will accept the response on the next business day. See *Notice of Clarification: Application of "Next Business Day" rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, as amended*, 70 FR 24533 (May 10, 2005). The Department will continue to send the quantity and value questionnaire to those exporters identified in the Petition and the NME government.

**Use of Combination Rates in an NME Investigation**

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The *Separate Rates and Combination Rates Bulletin*, states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate

rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.

*Separate Rates and Combination Rates Bulletin*, at page 6.

**Distribution of Copies of the Petitions**

In accordance with section 732(b)(3)(A) of the Act, copies of the public versions of the Petition has been provided to the Government of Germany, the Government of Turkey, and the Government of the PRC.

**International Trade Commission Notification**

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

**Preliminary Determination by the ITC**

The ITC will preliminarily determine, within 25 days after the date on which it receives notice of these initiations, whether there is a reasonable indication that imports of CASWR from Germany, Turkey and the PRC are causing

material injury, or threatening to cause material injury, to a U.S. industry. See section 733(a)(2) of the Act. A negative ITC determination will result in the investigations being terminated; otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: November 30, 2005.

**Stephen J. Claeys,**  
*Acting Assistant Secretary for Import Administration.*

**ATTACHMENT I**

Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Tariff Act of 1930 (as amended) permits us to investigate 1) a sample of exporters, producers, or types of products that is statistically valid based on the information available at the time of selection, or 2) exporters and producers accounting for the largest volume and value of the subject merchandise that can reasonably be examined.

In the chart provided below, please provide the total quantity and total value of all your sales of merchandise covered by the scope of this investigation (see scope section of this notice), produced in the PRC, and exported/shipped to the United States during the period April 1, 2005, through September 30, 2005.

Market	Total Quantity	Terms of Sale	Total Value
United States.			
1. Export Price Sales.			
2..			
a. Exporter name.			
b. Address.			
c. Contact.			
d. Phone No..			
e. Fax No..			
3. Constructed Export Price Sales.			
4. Further Manufactured.			
<b>Total Sales.</b>			

**Total Quantity:**

- Please report quantity on a short ton basis. If any conversions were used, please provide the conversion formula and source.

**Terms of Sales:**

- Please report all sales on the same terms (e.g., free on board).

**Total Value:**

- All sales values should be reported in U.S. Dollars. Please indicate any exchange rates used and their

respective dates and sources.

**Export Price Sales:**

- Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated person occurs before importation into the United States.
- Please include any sales exported by your company directly to the United States;
- Please include any sales exported by your company to a third-country market economy reseller where you

had knowledge that the merchandise was destined to be resold to the United States.

- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please do not include any sales of merchandise manufactured in Hong Kong in your figures.

**Constructed Export Price Sales:**

- Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated person occurs after importation. However, if the first sale to the unaffiliated person is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.
- Please include any sales exported by your company directly to the United States;
- Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.
- If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.
- Please do not include any sales of merchandise manufactured in Hong Kong in your figures.

**Further Manufactured:**

- Further manufacture or assembly costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expense, interest expense, and additional packing expense incurred in the country of further manufacture, as well as all costs involved in moving the product from the U.S. port of entry to the further manufacturer.

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