

Machinery Corp. v. United States 951 F. Supp. 231 (CIT 1996)(*Boewe III*). On January 14, 1997, the Department issued its third remand redetermination for the 1989–1990 administrative review of drycleaning machinery from Germany. In this remand redetermination, the Department provided the CIT with additional explanation as to why it was denying Boewe's LOT adjustments.

On June 3, 1997, the CIT affirmed the Department's third remand redetermination in its entirety. See *Boewe Reinigungs und Waschereitechnik GmbH and Boewe Passat Drycleaning & Laundry Machinery Corp. v. United States*, Slip Op. 97–72 (CIT 1997)(*Boewe IV*). This decision made no change to the earlier recalculated margin and was not appealed. We are therefore publishing our amended final results for the review period November 1, 1989 through October 31, 1990.

Amended Final Results of Review

As a result of the remand redeterminations, the revised weighted-average margin during the period November 1, 1989 through October 31, 1990, for Boewe is as follows:

Manufacturer/exporter	Margin (Percent)
Boewe	0.59

Accordingly, the Department will determine, and the U.S. Customs Service will assess, antidumping duties on all entries of subject merchandise from Boewe in accordance with these amended final results. The Department will issue appraisal instructions directly to Customs.

This notice is issued and published in accordance with section 777(i) of the Tariff Act of 1930 and 19 CFR 351.221(b)(5)(2002).

April 19, 2002

Bernard T. Carreau,

Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–433–809, A–351–836, A–570–876, A–427–824, A–428–835, A–533–827, A–560–816, A–485–808, A–791–816, A–469–813, A–489–811, A–423–813, A–307–823]

Notice of Initiation of Antidumping Duty Investigations: Oil Country Tubular Goods from Austria, Brazil, the People's Republic of China, France, Germany, India, Indonesia, Romania, South Africa, Spain, Turkey, Ukraine, and Venezuela

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

ACTION: Initiation of Antidumping Duty Investigations.

DATES: April 26, 2002.

FOR FURTHER INFORMATION CONTACT: George Callen (India, Romania) at (202) 482–0180, Brandon Farlander (Austria) at (202) 482–0182, Jarrod Goldfeder (Brazil, South Africa) at (202) 482–0189, Phyllis Hall (Spain) at (202) 482–1398, Davina Hashmi (France, Germany) at (202) 482–4136, Minoo Hatten (Turkey) at (202) 482–1690, Michael Strollo (Indonesia, Venezuela) at (202) 482–0629, Alex Villanueva (PRC, Ukraine) at (202) 482–3208, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

INITIATION OF INVESTIGATIONS:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (“the Act”) by the Uruguay Round Agreements Act (“URAA”). In addition, unless otherwise indicated, all citations to the Department of Commerce’s (“the Department’s”) regulations are references to the provisions codified at 19 CFR Part 351 (2001).

The Petitions

On March 29, 2002, the Department received petitions filed in proper form by IPSCO Tubulars, Inc., Koppel Steel Corporation, a division of NS Group, Lone Star Steel Company¹, Maverick Tube Corporation, Newport Steel Corporation, a division of NS Group, and United States Steel Corporation (collectively, “the petitioners”). The

Department received supplemental information to the petitions on April 11, 12, 15, 16, 17, and 18, 2002.

In accordance with section 732(b)(1) of the Act, the petitioners allege that imports of oil country tubular goods (“OCTG”) from Austria, Brazil, the People’s Republic of China (“the PRC”), France, Germany, India, Indonesia, Romania, South Africa, Spain, Turkey, Ukraine, and Venezuela² are, 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, or threatening material injury to, an industry in the United States.

The Department finds that the petitioners filed these petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (D) of the Act and they have demonstrated sufficient industry support with respect to each of the antidumping investigations that they are requesting the Department to initiate. See *infra*, “Determination of Industry Support for the Petitions.”

Scope of Investigations

For purposes of these investigations, the products covered are certain oil country tubular goods. Oil country tubular goods are hollow steel products of circular cross-section, including oil well casing, tubing, and drill pipe, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute (“API”) or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). The scope for these investigations does not cover casing, tubing, or drill pipe containing 10.5 percent or more of chromium or finished drill pipe with tool joint attached. The merchandise subject to these investigations is typically classified in the following Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings: 7304.21.30.00, 7304.21.60.30, 7304.21.60.45, 7304.21.60.60, 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.30.10, 7304.29.30.20, 7304.29.30.30, 7304.29.30.40, 7304.29.30.50,

² The original petition filed on March 29, 2002, also included a petition for the imposition of antidumping duties on OCTG from Colombia. On April 11, 2002, the petitioners withdrew the petition on Colombia.

¹ Lone Star is not a petitioner in the antidumping duty investigation on Romania.

7304.29.30.60, 7304.29.30.80, 7304.29.40.10, 7304.29.40.20, 7304.29.40.30, 7304.29.40.40, 7304.29.40.50, 7304.29.40.60, 7304.29.40.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.60.15, 7304.29.60.30, 7304.29.60.45, 7304.29.60.60, 7304.29.60.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.20.10.30, 7306.20.10.90, 7306.20.20.00, 7306.20.30.00, 7306.20.40.00, 7306.20.60.10, 7306.20.60.50, 7306.20.80.10, and 7306.20.80.50.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these proceedings is dispositive.

As discussed in the preamble to the Department's regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments within 20 calendar days of publication of this notice. Comments should be addressed to Import Administration's Central Records Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with parties prior to the issuance of the preliminary determinations.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that the Department's industry support determination, which is to be made before the initiation of the investigation, be based on whether a minimum percentage of the relevant industry supports the petition. A petition meets this requirement if the domestic producers or workers who support the petition account for: (1) at least 25 percent of the total production of the domestic like product; and (2) 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 either poll the industry or rely on other information in order to determine if there is support for the petition.

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 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 the law.³

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation," i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition.

We reviewed the description of the domestic like product presented in the petitions. Based upon our review of the petitioners' claims, we concur that there is a single domestic like product, which is defined in the "Scope of Investigations" section above. This is consistent with the Department's determinations in past investigations to treat all OCTG products as a single class or kind of merchandise. See, e.g., *Oil Country Tubular Goods From Argentina*, 60 FR 41055 (Aug. 11, 1995). We note that the ITC has previously determined that drill pipe was a separate like product from tubing and casing. See *Oil Country Tubular Goods From Argentina, Italy, Japan, Korea, and Mexico*, at I-9 (Inv. Nos. 701-TA-363-364 (Final) and

731-TA-711-717 (Final) (Publication 2911; August 1995)). However, in previous investigations, the Department has considered casing, tubing and drill pipe to be one class or kind of merchandise. See, e.g., *Oil Country Tubular Goods From Argentina*, 60 FR 41055 (Aug. 11, 1995).

The ITC's 1995 determination that drill pipe was a separate like product was based on a scope that included both unfinished drill pipe and finished drill pipe with attached tool joints. *Id.* at I-10. In that case, the ITC focused on the lack of interchangeability between finished drill pipe with attached tool joints and finished casing and tubing as a major determinant in its decision. This issue is not present in this investigation because only unfinished drill pipe is included in the scope. The ITC did state in its 1995 determination that there are "certain distinctions between [unfinished] drill pipe and other OCTG products" that also support including unfinished drill pipe in the same like product category as finished drill pipe with attached tool joints. *Id.* The ITC noted that drill pipe tends to be shorter and heavier than casing and tubing, drill pipe tends to be of low alloy steel, whereas casing and tubing are primarily of carbon steel, and the tensile strength of drill pipe is generally higher than that in casing and tubing. *Id.* However, the ITC report acknowledges that there is overlap between unfinished drill pipe and casing and tubing with respect to diameter, wall thickness, and length. *Id.* at I-11, fn. 17. Regarding the issue of alloy, various grades of casing and tubing are also low alloy steels, as evidenced by specific alloy designations in the Harmonized Tariff Schedules for these products. Finally, the strength requirements on many of the grades of casing and tubing can be higher than those for unfinished drill pipe. In fact, the final strength characteristics of all products will not be determined until the product has been subjected to certain heat treating operations. See, e.g., American Petroleum Institute, *Specifications For High-Strength Casing, Tubing, and Drill Pipe*. Consequently, for purposes of this investigation, we conclude that casing, tubing, and unfinished drill pipe constitute one like product.

Finally, the Department has determined that the petitions contain adequate evidence of industry support and, therefore, polling is unnecessary. See Import Administration Antidumping Investigations Initiation Checklist for each country-specific proceeding, Industry Support section and Attachment II, April 18, 2002 (collectively, the "Initiation Checklist"),

³ See *Algoma Steel Corp. Ltd., v. United States*, 688 F. Supp. 639, 642-44 (CIT 1988); *High Information Content Flat Panel Displays and Display Glass from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380-81 (July 16, 1991).

on file in the Central Records Unit, Room B-099 of the main Department of Commerce building.

The Department received no opposition to the petitions except with respect to Austria and Romania. In the context of the Romanian petition, two Romanian producers of OCTG filed a letter claiming that the petitioners had failed to demonstrate sufficient industry support. In the context of the Austrian petitions, Grant Prideco, Inc., which is a domestic producer of the like product and is the majority owner of the Austrian OCTG producer, also asserted that the petitioners had failed to demonstrate that they account for a majority of the domestic industry.

For all countries, we determined that the petitioners have demonstrated industry support representing over 50 percent of total production of the domestic like product. The Department also determined that it will disregard Grant Prideco's opposition to the petition because it is related to a foreign producer. *See* Attachment II to the Initiation Checklist for further explanation. Accordingly, we determine that these petitions are filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Initiation Standard for Cost Investigations

Pursuant to section 773(b) of the Act, the petitioners provided information demonstrating reasonable grounds to believe or suspect that sales in the home markets of Brazil and France and the PRC third-country market of Germany were made at prices below the cost of production ("COP") and, accordingly, requested that the Department conduct country-wide sales-below-COP investigations in connection with these investigations. The Statement of Administrative Action ("SAA"), submitted to the Congress in connection with the interpretation and application of the URAA, states that an allegation of sales below COP need not be specific to individual exporters or producers. SAA, H.R. Doc. No. 316 at 833 (1994). The SAA, at 833, states that "Commerce will consider allegations of below-cost sales in the aggregate for a foreign country, just as Commerce currently considers allegations of sales at less than fair value on a country-wide basis for purposes of initiating an antidumping investigation."

Further, the SAA provides that section 773(b)(2)(A) of the Act retains the requirement that the Department have "reasonable grounds to believe or suspect" that below-cost sales have occurred before initiating such an investigation. Reasonable grounds exist

when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices. *Id.* We have analyzed the country-specific allegations as described below.

Export Price ("EP"), Constructed Export Price ("CEP"), and Normal Value ("NV")

The following are descriptions of the allegations of sales at less than fair value upon which the Department based its decision to initiate these investigations. A more detailed description of these allegations is provided in each 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 may re-examine the information and revise the margin calculations, as appropriate.

Austria

EP

The petitioners stated that Voest-Alpine Stahlrohr Kindberg GmbH & Co KG ("Kindberg") is the only Austrian producer and exporter of OCTG to the United States. However, we note that Kindberg changed its name to Voest-Alpine Tubulars GmbH & Co KG ("Voest-Alpine Tubulars") during the anticipated period of investigation ("POI"). For the calculation of U.S. price, the petitioners used the average unit value ("AUV") for OCTG from Austria, which is based on the Census Bureau's IM-145 import data for the anticipated POI. The petitioners used this AUV figure without adjustments as the basis for U.S. price. *See* Initiation Checklist.

NV

Price-to-Constructed Value ("CV") Comparisons

The petitioners stated that they were unable to obtain home-market or third-country prices for OCTG from Austria. The petitioners stated that they were unable to obtain home-market prices because their market researcher did not have the capability to perform such research in Austria. Moreover, as further support, the petitioners note that, in the 1994-95 investigation of OCTG from Austria, the Department determined that Austria's home market was not viable. For third-country prices, the petitioners stated that they used a market researcher to determine that Russia is the largest third-country market. *See* Attachment D of the April 11, 2002, petition amendment. However, the

petitioners stated they were unable to obtain pricing information for sales to Russia. Hence, the petitioners state that, because Austria's home market is not viable and it was unable to obtain third-country prices from Russia, the petitioners determined that it was necessary to use CV. Based on the petitioners' information, we determine that Austria's home market is not viable and that the petitioners made a reasonable effort to obtain third-country market prices for Russia.

Pursuant to section 773(e) of the Act, CV consists of the cost of manufacture ("COM"), selling, general, and administrative expenses ("SG&A"), financial expenses, profit, and packing expenses. The petitioners calculated COM based on the production costs in the United States, adjusted to reflect known differences in the production costs in the home market (i.e., Austria). *See* Initiation Checklist. The petitioners utilized the costs of a like steel producer in the United States which manufactures seamless OCTG. The petitioners obtained certain unit factor costs incurred by an affiliate of Voest-Alpine Tubulars based on a proprietary report. The petitioners obtained natural gas prices from a European Union publication entitled "Gas Prices for EU Industry on 1 January 2001," and used these cost values instead of those for the U.S. producer. The petitioners state that Voest-Alpine Tubulars and its affiliates' other unit factor costs are not reasonably available. Hence, for these costs, the petitioners used those of the U.S. producer. These operating costs were supported by an official of one of the petitioning firms. We examined the affidavit and found this official is in a position to know the inputs and costs of inputs for the production of the subject merchandise. Therefore, we found the costs calculated by the petitioners to be reasonable and accurate.

The petitioners stated that Voest-Alpine Tubulars' and its affiliates' fixed overhead expenses (including depreciation) are not reasonably available. Hence, for these costs, the petitioners used those of the U.S. producer. The petitioners were unable to calculate SG&A based on the unconsolidated financial statements of Voest-Alpine Tubulars's affiliates (Voest-Alpine Stahl Linz GmbH, Voest-Alpine Schienen GmbH, and Voest-Alpine Stahl Donawitz GmbH). Hence, the petitioners used the consolidated financial statement of Voest-Alpine Tubulars' parent company, Voest-Alpine Stahl AG. For financial expense, the petitioners used Voest-Alpine Stahl AG's consolidated financial statements. For profit, the petitioners used Voest-

Alpine Tubulars's unconsolidated financial statements for 2001. The SG&A, interest expense, and profit that the petitioners calculated were derived from the financial statements of either the foreign producer or its affiliates. Because of this, we found that use of these companies' SG&A, interest expense, and profit was appropriate for initiation purposes and we relied on this information.

The petitioners obtained exchange rates from the Federal Reserve. Because the source for these exchange rates is the same as we normally use in an antidumping investigation or review, we find it appropriate to rely on this information.

Based upon the comparison of CV to EP, the petitioners calculated an estimated dumping margin of 39.36 percent.

Brazil

EP

The petitioners identified five companies that produce and/or export subject merchandise in Brazil. The petitioners believe that these producers and/or exporters account for all OCTG sold in Brazil and exported to the United States from Brazil. The petitioners provided pricing and cost information for one of these five companies, V&M do Brasil S.A. ("V&M do Brasil"). According to the petitioners, V&M do Brasil made direct sales of the subject merchandise to unaffiliated U.S. customers. The petitioners based EP on offers for sale of OCTG by V&M do Brasil to an unaffiliated U.S. customer which were obtained through market research. To calculate EP, the petitioners deducted foreign inland freight from the price quote. The information supporting this deduction was obtained through market research. See Initiation Checklist.

NV

Price-to-Price Comparisons

The petitioners provided home-market prices for V&M do Brasil based on several grades and sizes of OCTG sold to an unaffiliated home-market customer, which were obtained from foreign market research. These products are comparable to the products exported to the United States that served as the basis for EP. To calculate NV, the petitioners deducted inland freight, which was also obtained from foreign market research. See Initiation Checklist. To adjust for differences in packing expenses, the petitioners deducted home-market packing expenses and added U.S. packing expenses based on information obtained

from foreign market research. See Initiation Checklist. The petitioners also adjusted home-market prices to reflect differences in the credit expenses between the U.S. and Brazilian markets, based on information obtained from market research and the International Monetary Fund. The petitioners made this adjustment by deducting home-market imputed credit expenses and adding U.S. imputed credit expenses. See Initiation Checklist. Finally, for comparisons to EP, the petitioners converted the net home-market prices to U.S. dollars based on the average Federal Reserve exchange rate for the fiscal quarters in which the U.S. price quotes were made.

Based on EP price-to-price comparisons calculated in accordance with section 773(a) of the Act, the estimated dumping margins for OCTG from Brazil range from 6.01 percent to 8.97 percent.

Price-to-CV Comparisons

The petitioners also provided information demonstrating reasonable grounds to believe or suspect that sales of OCTG in the home market were made at prices below the fully absorbed COP within the meaning of section 773(b) of the Act, and they requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of COM, SG&A expenses, financial expenses, and packing expenses. The petitioners calculated COM with the exception of the depreciation portion of fixed overhead based on their own production experience, adjusted for known differences between costs incurred to produce OCTG in the United States and Brazil. See Initiation Checklist. Specifically, the petitioners used consumption rates incurred by V&M do Brasil for raw materials, direct labor, electricity, and natural gas based on information obtained from publicly available data and an industry study. Where information on a specific variable consumption rate of V&M do Brasil was not reasonably available, the petitioners used those of a U.S. producer. To calculate the portions of fixed overhead other than depreciation, the petitioners relied upon the experience of a U.S. producer because V&M do Brasil's financial statements did not provide sufficient information. To calculate depreciation expense, SG&A, and financial expenses, the petitioners relied upon amounts reported in V&M do Brasil's fiscal year 2000 financial statements. See Initiation Checklist. Based upon the 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.

Pursuant to sections 773(a)(4), 773(b), and 773(e) of the Act, the petitioners also based NV for sales in Brazil on CV. The petitioners calculated CV using the same COM, SG&A, and financial expenses they used to compute Brazilian home-market costs. Consistent with section 773(e)(2) of the Act, the petitioners included in CV an amount for profit. Because V&M do Brasil operated at a loss in the most recent fiscal year for which data was reasonably available, the petitioners used the profit experience of Usinas Siderurgicas de Minas Gerais S/A, a Brazilian steel producer with a production process similar to V&M do Brasil.

Based upon the comparison of CV to EP, the petitioners calculated estimated dumping margins ranging from 51.35 to 67.07 percent.

PRC

EP

The petitioners identified Baoshan Iron and Steel Company ("Baoshan") and Tianjin Pipe Company as major producers of OCTG in the PRC. The petitioners based EP on a price quote of PRC OCTG from Baoshan they received from an importer of PRC OCTG. The petitioners started with an average price in U.S. dollars per net ton and deducted an amount for numerous movement expenses and sales-specific adjustments. See Initiation Checklist.

For purposes of this initiation, the data submitted by the petitioners provides grounds to suggest that EP is an appropriate basis for calculating the U.S. price. To determine EP, we relied on the data in the petition.

NV

The petitioners provided a dumping margin calculation using the Department's non-market-economy ("NME") methodology as required by 19 CFR 351.202(b)(7)(i)(C). For the NV calculation, the petitioners based the factors of production ("FOP"), as defined by section 773(c)(3) of the Act (raw materials, labor and energy), for OCTG on information from PRC producers. See Initiation Checklist.

The petitioners selected India as the surrogate country. The petitioners argued that, pursuant to section

773(c)(4) of the Act, India is an appropriate surrogate because it is a market-economy country that is at a comparable level of economic development to the NME and is a significant producer of comparable merchandise. Based on the information provided by the petitioners, we believe that the petitioners' use of India as a surrogate country is appropriate for purposes of initiation of this investigation. See Initiation Checklist.

In accordance with section 773(c)(4) of the Act, the petitioners valued the FOP, where possible, on reasonably available, public surrogate country data. Where possible, the petitioners developed unit factor costs relying on surrogate values from the Directorate General of Commercial Intelligence & Statistics, Ministry of Commerce, Government of India, *Monthly Statistics of the Foreign Trade* ("MSFT") from April 2001 to August 2001, the most contemporaneous data available, which captures two months of the anticipated POI. Where MSFT data was not available, the petitioners used actual unit factor costs purchased by The TATA Iron & Steel Company ("TATA"), Ltd., and the Steel Authority of India, Ltd. ("SAIL"). The petitioners argue that these companies were selected because, like Baoshan, they are also integrated steel producers. Specifically, "where both TATA and SAIL reported information regarding an input, the petitioners calculated the unit factor costs based on the weighted average for the companies. Where only one of the companies reported information regarding an input, the petitioners relied on the information for that company alone." See petition at 3.

Labor was valued using the regression-based wage rate for the PRC provided by Import Administration's website and in accordance with 19 CFR 351.408(c)(3). The petitioners derived factory overhead, SG&A, interest, and profit from the 2000–2001 financial statements of TATA, an Indian producer of the subject merchandise. The petitioners calculated factory overhead, interest and profit ratios by extracting the appropriate items from TATA's financial statements. The petitioners note that these financial ratios were used by the Department in a recent antidumping duty investigation on products from the PRC. See *Notice of Initiation of Antidumping Duty Investigation: Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand,*

Turkey, and Venezuela, 66 FR 54198 (October 26, 2001).

Based on comparisons of NV to EP, calculated in accordance with section 773(c) of the Act, the estimated dumping margin for OCTG from the PRC is 42.07 percent.

France

EP

The petitioners identified one company, V&M France, that produces and/or exports subject merchandise in France. The petitioners believe that V&M France accounts for all OCTG sold in France and exported to the United States from France. The petitioners provided pricing and cost information for V&M France. According to the petitioners, V&M France made direct sales of the subject merchandise to unaffiliated U.S. customers. The petitioners based EP on offers for sale of OCTG by V&M France to unaffiliated U.S. customers, which were obtained from market research. To calculate EP, which was based on F.O.B. port of exportation U.S. prices of OCTG inclusive of foreign inland freight, the petitioners deducted foreign inland freight from the price quote. The information supporting this deduction was obtained from market research. See Initiation Checklist.

NV

Price-to-Price Comparisons

The petitioners provided home-market prices for V&M France based on OCTG sold to unaffiliated home-market customers, which were obtained from foreign market research. These products are comparable to the products exported to the United States that served as the basis for EP. To calculate NV, the petitioners deducted inland freight, which was also obtained from foreign market research. See Initiation Checklist. To adjust for differences in packing expenses, the petitioners deducted home-market packing expenses and added U.S. packing expenses based on information obtained from foreign market research. See Initiation Checklist. The petitioners also adjusted home-market prices to reflect differences in the credit expenses between the U.S. and French markets, based on information obtained from market research and the *International Financial Statistics* published by the International Monetary Fund. The petitioners made this adjustment by deducting home-market imputed credit expenses and adding U.S. imputed credit expenses. See Initiation Checklist. Finally, for comparisons to EP, the petitioners converted the net home-

market prices to U.S. dollars based on the average Federal Reserve exchange rate for the fiscal quarters in which the U.S. price quotes were made.

Based on EP price-to-price comparisons calculated in accordance with section 773(a) of the Act, the estimated dumping margins for OCTG from France range from 5.50 percent to 5.71 percent.

Price-to-CV Comparisons

The petitioners also provided information demonstrating reasonable grounds to believe or suspect that sales of OCTG in the home market were made at prices below the fully absorbed COP within the meaning of section 773(b) of the Act, and they requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of COM, SG&A expenses, and packing. The petitioners calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce OCTG products in the United States and France using publicly available data. See Initiation Checklist. To calculate SG&A, the petitioners relied upon amounts reported in a French steel producer's 2000 audited financial statements. For interest expense, the petitioners used the French OCTG producer's parent company's audited consolidated 2001 financial statements. 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.

Pursuant to sections 773(a)(4), 773(b), and 773(e) of the Act, the petitioners also based NV for sales in France on CV. The petitioners calculated CV using the same COM, SG&A, and interest expense figures they used to compute French home-market costs. Consistent with 773(e)(2) of the Act, the petitioners included in CV an amount for profit. For profit, the petitioners relied upon amounts reported in the French OCTG producer's parent company's audited consolidated 2001 financial statements.

Based upon the comparison of CV to EP, the petitioners calculated estimated dumping margins ranging from 27.86 to 37.91 percent.

Germany**EP**

The petitioners identified V&M Deutschland GmbH ("V&M Germany") and Benteler Stahl/Rorh GmbH as companies which produce and/or export subject merchandise in Germany. The petitioners believe that one of these two companies, V&M Germany, accounts for the largest share of imports of OCTG from Germany by volume and value. The petitioners provided pricing and CV information for V&M Germany. According to the petitioners, V&M Germany made direct sales of the subject merchandise to an unaffiliated U.S. customer. The petitioners based EP on offers for sale of OCTG by V&M Germany to an unaffiliated U.S. customer, which were obtained from market research. The prices provided by the petitioners were based on F.O.B. port of exportation prices inclusive of foreign inland freight. To arrive at an ex-factory price, the petitioners deducted foreign inland freight from the price quote adjusted on a net-ton basis and converted to U.S. dollars using exchange rates provided by the Federal Reserve. No other adjustments were made to EP. *See* Initiation Checklist.

NV**Price-to-CV Comparisons**

The petitioners found that the quantity of home-market sales was insufficient to serve as the basis for NV and, thus, concluded that the German market was not viable. In its original petition, the petitioners found that OCTG export prices to third countries were not reasonably available. Therefore, the petitioners based the NV of V&M Germany on CV. The petitioners calculated CV based on the COM, SG&A, and financial expenses. Consistent with section 773(e)(2) of the Act, the petitioners included in CV an amount for profit. On April 16, 2002, the petitioners supplemented the petition by providing information demonstrating reasonable grounds to believe or suspect that sales of OCTG in the PRC third-country market were made at prices below the fully absorbed COP within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation.

Pursuant to section 773(b)(3) of the Act, COP consists of COM, SG&A expenses, and packing. The petitioners calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce OCTG in the United States and Germany using publicly

available data. To calculate SG&A and interest expense, the petitioners relied upon amounts reported in a German OCTG producer's 2000 and 2001 financial statements. *See* Initiation Checklist. Based upon a comparison of the prices of the foreign like product in the third country 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 with respect to sales to the PRC.

Based on the cost data discussed above, the petitioners found that the third-country market selling prices were below the COP. Therefore, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners based NV on CV. The petitioners calculated CV using the same COM, depreciation, SG&A and interest expense figures used to compute the third-country market costs. Consistent with section 773(e)(2) of the Act, the petitioners included in CV an amount for profit. For profit, the petitioners relied upon amounts reported in the German OCTG producer's 2000 financial statements.

Based upon the comparison of CV to EP, the petitioners calculated estimated dumping margins ranging from 32.70 to 32.72 percent.

India**CEP**

The petitioners identified two companies that produce OCTG in India. The petitioners state that these producers account for all the subject merchandise imported into the United States from India. The petitioners state that one of these, Maharashtra Seamless Ltd. ("Maharashtra"), produced more than two-thirds of the OCTG imported into the United States from India. They also state that a U.S. firm, Explorec Energy ("Explorec"), is the exclusive distributor for Maharashtra in the United States and, therefore, that CEP is the proper basis on which to calculate an ex-factory price. Although we found the CEP price quote to be an acceptable U.S. price, we are not finding that any of the parties are affiliated at this stage of the proceeding. The petitioners based CEP on an affidavit from an employee of a firm that purchases OCTG. This employee obtained information concerning a price quote received by another firm that received a price quote during the anticipated POI for subject merchandise produced by Maharashtra. In order to obtain an ex-factory price,

the petitioners deducted from gross U.S. price early-payment discounts, distributor mark-ups, threading and coupling costs incurred in the United States, U.S. port charges, international shipping charges, U.S. Customs duties, and foreign inland freight expenses.

For purposes of initiation, we recalculated the U.S. price that the petitioners used in their calculation. We continued to deduct from U.S. price threading and coupling costs incurred in the United States. We also deducted early-payment discounts and movement expenses. We did not deduct distributor mark-ups from the starting price. While it may be necessary to deduct a distributor mark-up from the gross unit price to arrive at a CEP, in this case it appears that such expenses have already been accounted for, at least to some extent, in the other deductions made. Accordingly, to determine CEP, we relied on the data in the petition, except that we did not deduct the distributor mark-ups. *See* Initiation Checklist.

NV**Price-to-Price Comparisons**

The petitioners based NV on prices of OCTG in India comparable to the products exported during the anticipated POI. The petitioners used a price that they obtained from a market-research report for a recent sale by one of the exporting firms to an unaffiliated customer in India as the starting point in calculating NV. The petitioners adjusted this price by adding fees for export packing expenses and by subtracting foreign inland freight charges, domestic packaging expenses, and Indian credit expense. We determined that the information the petitioners used for the calculation of home-market price is adequate and accurate and represents information reasonably available to them.

Based on CEP price-to-price comparisons calculated in accordance with section 773(a) of the Act, the estimated dumping margin for OCTG from India is 17.43 percent.

Indonesia**EP**

The petitioners used import values declared to U.S. Customs (IM-145 data) to determine the AUV during January through December 2001 for HTSUS category 7304.29.30.40, which accounted for the largest volume of subject imports from Indonesia during the anticipated POI. The petitioners made no deductions to U.S. price.

NV

Price-to-CV Comparisons

The petitioners were unable to obtain Indonesian market prices on which to base NV. Therefore, pursuant to sections 773(a)(4), 773(b), and 773(e) of the Act, the petitioners based NV for sales in Indonesia on CV. The petitioners calculated CV for a seamless casing OCTG product, which corresponds to the HTSUS category which accounted for the largest volume of subject imports from Indonesia during the anticipated POI. The petitioners first constructed a value of the green tube produced by V&M France since, according to sources provided in the amendment to the petition, V&M France is PT Citra Tubindo's ("Citra") main source of green tube. Green tube is used as the primary input into the finished OCTG product produced by Citra. See the petitioners' April 11, 2002, amendment to the petition, at 3 and Exhibit 2.

Specifically, the petitioners obtained unit factor costs for coal, scrap, iron ore, labor, and electricity by relying on publicly available data and an industry study. For the unit factor cost for natural gas, the petitioners relied upon natural gas prices reported by the European Union's statistical agency, Eurostat. Where information on a specific variable consumption rate of V&M France was not reasonably available, the petitioners used those of a surrogate U.S. producer. Because the financial statements of V&M France, V&M Tube, or the parent company of V&M France and V&M Tube, Vallourec, were not reasonably available to the petitioners, the petitioners calculated portions of fixed overhead other than depreciation and general and administrative expense ("G&A") using the consolidated financial statements of Usinor SA, another integrated steel producer in France. To G&A the petitioners added the estimated cost of transporting green tube from France to Indonesia.

Next, the petitioners calculated Citra's variable costs using usage rates of the U.S. surrogate producer for quenching and tempering and threading and coupling. To this, the petitioners applied a percentage of fixed overhead to variable COM to calculate total COM, SG&A to the total COM to calculate total COP, and profit to the total COP to calculate CV. These percentages were based on Citra's fiscal year 2000 financial statements.

Based upon the comparison of CV to EP, the petitioners calculated an estimated dumping margin of 133.73 percent.

Romania

EP

The petitioners identified four companies that produce and/or export subject merchandise in Romania. The petitioners believe that these producers and/or exporters account for the majority of all OCTG produced in Romania and exported to the United States from Romania. They obtained an offer for a U.S. sale of OCTG from Romania which documents the sales terms for the subject merchandise. The petitioners stated in the petition that they believe this offer is for sale of a product that entered with plain ends but, in a subsequent submission, they indicated that they could not state with certainty whether the product in the offer was threaded or coupled in the United States or in Romania. They also stated that they were not certain whether the U.S. seller was affiliated with a Romanian producer. Because significant quantities of imports of both finished and unfinished subject merchandise entered the United States from Romania during the anticipated POI and the petitioners are unable to determine with certainty whether the threading and coupling took place in the United States or Romania, for initiation purposes, we did not use the petitioners' price offer. Instead, we used U.S. import statistics (*i.e.*, AUVs) for the U.S. price and did not make any adjustments.

NV

The petitioners state that Romania is an NME country and in all previous investigations the Department has determined that Romania is an NME. See, *e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value: Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Romania*, 65 FR 39125 (June 23, 2000). Romania will be treated as an NME unless and until its NME status is revoked. Pursuant to section 771(18)(C)(i) of the Act, because Romania's status as an NME remains in effect, the petitioners determined the dumping margin using an FOP analysis.

For NV the petitioners based the FOP, as defined by section 773(c)(3) of the Act, on the consumption rates of a U.S. OCTG producer since information regarding the quantities of various inputs consumed by the Romanian producers is not reasonably available to the petitioners. The petitioners used Algeria as the most appropriate surrogate country for Romania because Algeria is: (1) at a comparable stage of economic development as Romania, in terms of per-capita gross national

income, total gross domestic product growth, etc.; (2) a significant producer of comparable merchandise; and (3) the only available source of an accurate factor value for the type of principal material input used in the production of seamless OCTG.

The petitioners valued FOP, where possible, on reasonably available, public surrogate data from Algeria. The principal material input was based on the AUVs of such material imported into Algeria as published in the United Nations import data. For steel scrap, the petitioners stated that import figures for Algeria were not available. They used instead the United Nations import data for steel scrap for El Salvador. For labor, the petitioners used the regression-based wage rate for Romania on Import Administration's website. The petitioners calculated prices for electricity and natural gas in Algeria using information available on the website of an Algerian electric and gas company. For factory overhead, the petitioners applied rates derived from the 2000–2001 financial statements of an Indian producer of seamless OCTG. The petitioners adjusted all surrogate values which fell outside the anticipated POI using the Algerian consumer price index or the U.S. Producer Price Index, as published by the International Monetary Fund's *International Financial Statistics*.

Based on comparisons of NV to EP, calculated in accordance with section 773(c) of the Act, the estimated dumping margin for OCTG from Romania is 36.7 percent.

South Africa

CEP

The petitioners identified one company, Iscor Limited ("Iscor"), that produces the subject merchandise in South Africa. The petitioners state that this one producer accounts for all of the OCTG production in South Africa and that the producer also accounts for all of the exports of subject merchandise to the United States. According to the petitioners, Iscor sells subject merchandise through an affiliated U.S. importer to unaffiliated U.S. purchasers. The petitioners based CEP on a price quote given to an unaffiliated U.S. distributor. To calculate CEP, which was based on a loaded-truck, duty-paid price from Iscor to the unaffiliated U.S. customer, the petitioners deducted early-payment discounts, port charges (unloading and wharfage), threading and coupling costs incurred in the United States, international shipping charges, and foreign inland freight from the price quote. See Initiation Checklist.

NV

Price-to-CV Comparisons

The petitioners stated that, to their knowledge, Iscor has no viable comparison market for OCTG and, therefore, they were unable to obtain price information for sales in the home market or any third-country market. The petitioners based this conclusion on an affidavit provided in the petition and from an examination of South African Export Statistics from the year 2000 for all HTS codes covered in the petition. See Initiation Checklist. Therefore, the petitioners based their calculation of NV on CV for purposes of the margin calculations.

The petitioners calculated CV based on their own production experience, adjusted for known differences between costs incurred to produce OCTG in the United States and South Africa using publicly available data. Specifically, the petitioners used the U.S. producers' own consumption rates for raw materials, direct labor, electricity, and natural gas. To adjust the U.S. producers' costs associated with raw materials, direct labor, and electricity, the petitioners relied upon average market prices supplied by publicly available data. To adjust the U.S. producers' costs associated with natural gas, the petitioners relied upon the experience of a large energy company with operations in South Africa. To calculate fixed overhead, SG&A, and financial expense, the petitioners relied upon amounts reported in Iscor's fiscal year 2001 financial statements. Consistent with section 773(e)(2) of the Act, the petitioners included in CV an amount for profit. For profit, the petitioners relied upon the profit of Iscor. See Initiation Checklist.

Based on the comparison of CV to CEP, the petitioners calculated estimated dumping margins ranging from 24.09 to 50.71 percent.

Spain

CEP

The petitioners identified Tubos Reunidos and Productos Tubulares as major producers of OCTG in Spain. The petitioners based CEP on a price quote for Spanish OCTG produced by Tubos Reunidos they received from a U.S. distributor. The petitioners provided evidence, including detailed import statistics, showing that Tubos Reunidos USA ("TRA") is identified as the consignee for nearly all shipments by Tubos Reunidos. As TRA is a wholly owned subsidiary of Tubos Reunidos, the petitioners calculated the U.S. price using a CEP analysis. The petitioners

calculated CEP based on the gross unit price from the U.S. price offering. The petitioners started with a gross unit price in U.S. dollars per net ton and deducted an amount for various movement expenses, sales-specific adjustments, and the cost of the threading and coupling performed in the United States after importation because the OCTG from Spain entered into the United States has plain ends but the price offering reflected the price of OCTG which was threaded and coupled.

For purposes of this initiation, the data submitted by the petitioners provides grounds to suggest that CEP is an appropriate basis for calculating the U.S. price. To determine CEP, we relied on the data in the petition.

NV

Price-to-Price Comparisons

The petitioners provided a dumping margin calculation by comparing third-country prices with U.S. price. The petitioners state during the anticipated POI the quantity of subject merchandise sold in Spain fell below the five-percent threshold and, thus, Spain is not a viable market for the purpose of determining NV. The petitioners stated that they were unable to obtain home-market prices because their market researcher did not have the capability to perform such research in Spain.

The petitioners used a market researcher to obtain third-country prices based upon exports from Spain of OCTG to a third country (*i.e.*, France). The quoted price was given in Euros per metric ton. To calculate NV, the petitioners deducted Spanish inland freight. To adjust for differences in packing expenses, the petitioners deducted packing expenses incurred by Tubos Reunidos for its third-country sales to France based on market research and added U.S. packing expenses. As the market-research report did not include packing costs for the U.S. sales, the petitioners assumed that packing costs would be the same for both markets since the same type of vessel is used for both. See Initiation Checklist. The petitioners also adjusted third-country prices to reflect differences in the credit expenses between the U.S. and third-country markets. The petitioners made this adjustment to the third-country prices by deducting third-country imputed credit expenses and adding U.S. imputed credit expenses. See Initiation Checklist. For the credit period, the market-research report provides information regarding Tubos Reunidos' payment terms for sales to the third-country market. For purposes of

adjusting for differences in credit, the petitioners used the maximum number of days. For sales to the United States, the petitioners assumed the U.S. credit period to be zero days. To determine credit expenses on the third-country sales to France, the petitioners utilized a French Euro-denominated interest rate published by the International Monetary Fund.

Based on CEP price-to-price comparisons calculated in accordance with section 773(a) of the Act, the estimated dumping margin for OCTG from Spain is 22.44 percent.

Turkey

EP

The petitioners identified three companies that produce and/or export subject merchandise in Turkey. The petitioners believe that these producers and/or exporters account for all OCTG sold in Turkey and exported to the United States from Turkey. The petitioners provided pricing and cost information for one of these three companies, Borusan Birlesik Boru Fabrikalari A.S. ("Borusan"). According to the petitioners, Borusan made direct sales of the subject merchandise to unaffiliated U.S. customers. For the calculation of U.S. price, the petitioners provided a price quote and AUV data. The AUV data is based on the U.S. Census Bureau's IM-145 import data for the anticipated POI and is equivalent to an EP. We used the AUV data for the margin calculation. We made no adjustments to the EP. See Initiation Checklist.

NV

Price-to-CV Comparisons

The petitioners were unable to obtain home-market or third-country price data. Therefore, the petitioners based NV on CV.

Pursuant to sections 773(a)(4), 773(b), and 773(e) of the Act, CV consists of COM, SG&A expenses, financial expenses, profit, and packing expenses. The petitioners calculated COM based on their own production experience, adjusted for known differences between costs incurred to produce OCTG in the United States and Turkey. See Initiation Checklist. Specifically, the petitioners used consumption rates incurred by a U.S. producer of OCTG for raw materials, direct labor, and electricity based on an affidavit from an employee of a U.S. producer of OCTG. The petitioners valued steel raw-material inputs using import statistics from the World Trade Atlas. The petitioners valued other raw-material inputs based on their own experience because no

data relating to the value of these products in Turkey was available. The petitioners valued labor based on rates found in the Import Administration website. The petitioners valued energy based on data published by the OECD International Energy Agency in the Fourth Quarter, 2001, issue of Energy Prices and Taxes. The petitioners calculated packing expenses using a methodology similar to the one they used to calculate the expense for raw materials other than steel.

To calculate the portions of fixed overhead, the petitioners relied upon the experience of a U.S. producer because Borusan's financial statements did not provide sufficient information with which to calculate a factory-overhead rate. We recalculated the factory-overhead percentage because the petitioners used the U.S. producer's COP as the denominator. Because the percentage is applied to only the sum of direct materials, direct labor, and energy, we recalculated the factory-overhead percentage using the sum of direct materials, direct labor, and energy for the U.S. producer as the denominator. *See Initiation Checklist.*

To calculate SG&A, financial expenses, and profit, the petitioners relied upon amounts reported in Borusan's fiscal year 2000 financial statements. We recalculated the SG&A to include other income and expenses and we revised the profit to reflect our change to SG&A and to exclude income taxes. *See Initiation Checklist.*

Based upon the comparison of CV to EP after our recalculations, the petitioners calculated an estimated dumping margin of 9.94 percent.

Ukraine

CEP

The petitioners identified Nizhnedneprovsky Tube Rolling Plant ("NTRP") and Joint Stock Co Nikopol Pivdennotrubny Works as major producers of OCTG in Ukraine. The petitioners based CEP on a price quote for Ukrainian OCTG from NTRP they received from an importer of Ukrainian OCTG. The petitioners assert that the importer is affiliated under section 771(33)(G) of the Act. *See Initiation Checklist.* Therefore, the petitioners calculated the U.S. price using a CEP analysis. The petitioners calculated CEP based on the average price for two sample threaded and coupled products. The petitioners started with an average price in U.S. dollars per net ton and deducted an amount for numerous movement expenses, sales-specific adjustments, and the cost of threading and coupling. The petitioners deducted

the cost of threading and coupling as a further manufacturing cost for this CEP analysis because they allege that OCTG from Ukraine entered the United States with plain ends and was threaded and coupled in the United States. *See Initiation Checklist.*

For purposes of initiation, we recalculated the U.S. price that the petitioners used in their calculation. We continued to deduct from U.S. price threading and coupling costs incurred in the United States. We also deducted early-payment discounts and movement expenses. *See Notice of Final Determination at Sales at Less Than Fair Value: Bicycles from the People's Republic of China*, 61 FR 19026 (April 30, 1996). We did not deduct distributor and trading company mark-ups from the starting price. While it may be necessary to deduct a distributor and trading company mark-up from the gross unit price to arrive at a CEP, in this case it appears that such expenses have already been accounted for, at least to some extent, in the other deductions made. Accordingly, to determine CEP, we relied on the data in the petition, except that we did not deduct the distributor mark-ups. *See Initiation Checklist.*

NV

The petitioners provided a dumping margin calculation using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C). For the NV calculation, the petitioners based the FOP, as defined by section 773(c)(3) of the Act (raw materials, labor and energy), for OCTG on information from Ukrainian producers. *See Initiation Checklist.*

The petitioners selected Indonesia as their surrogate country. The petitioners argued that, pursuant to 773(c)(4) of the Act, Indonesia is an appropriate surrogate because it is a market-economy country that is at a comparable level of economic development to the NME and is a significant producer of comparable merchandise. Based on the information provided by the petitioners, we believe that the petitioners' use of Indonesia as a surrogate country is appropriate for purposes of initiation of this investigation. *See Initiation Checklist.*

In accordance with section 773(c)(4) of the Act, the petitioners valued FOP, where possible, on reasonably available, public surrogate country data. Where possible, the petitioners developed unit factor costs relying on surrogate values from the Government of Indonesia's Trade Statistics ("GITS") for the period of January 2001 through October 2001, the most contemporaneous data available, which captures four months

of the anticipated POI. The petitioners note that GITS did not have information for coking coal. Therefore, the petitioners calculated a surrogate value for coking coal using information from *Coal Week International*, an industry publication, dated January 7, 2002.

Labor was valued using the regression-based wage rate for Ukraine available on the Import Administration website and in accordance with 19 CFR 351.408(c)(3). Factory overhead, SG&A, and profit were derived from the 1999–2000 financial statements of PT Krakatau Steel, an Indonesian producer of the subject merchandise.

Based on comparisons of NV to CEP, calculated in accordance with section 773(c) of the Act, the estimated dumping margin for OCTG from Ukraine is 22.38 percent.

Venezuela

EP

To calculate EP, the petitioners obtained one U.S. price quote for OCTG produced in Venezuela for export to the United States, FOB Houston. The Venezuelan producer quoted a price for OCTG product to a distributor in the United States. The petitioners stated that the price quotes for NV and EP were obtained for products that would reflect similar finishing and permit closer comparison. The petitioners made no deductions from U.S. price.

NV

Price-to-Price Comparisons

The petitioners determined NV by relying on an ordinary-course-of-business price quote offered to an unaffiliated Venezuelan home-market customer contemporaneous with the offer for sale in the United States of a similar OCTG product. The Venezuelan home-market price quote uses U.S. dollars as the currency of sale so no currency conversion is necessary for comparison of NV and EP. The petitioners calculated NV in U.S. dollars per net ton for the product quoted. Exhibit I–9 of the petition demonstrates the petitioners' calculation of NV and the estimated dumping margin. No adjustments were made to NV.

Based upon the comparison of NV to EP, calculated in accordance with section 773(a) of the Act, the estimated dumping margin for OCTG from Venezuela is 55.60 percent.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of OCTG from Austria, Brazil, the PRC, France, Germany, India, Indonesia, Romania, South Africa,

Spain, Turkey, Ukraine, and Venezuela are being, or are likely to be, sold at less than fair value.

Allegations and Evidence of Material Injury and Causation

The 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. The volume of imports from Austria, Brazil, the PRC, France, Germany, India, Indonesia, Romania, South Africa, Spain, Turkey, Ukraine, and Venezuela, using the latest available data, exceed the statutory threshold of seven percent for a negligibility exclusion. *See* section 771(24)(A)(ii) of the Act.

The petitioners contend that the industry's injured condition is evident in the declining trends in net operating profits, net sales volumes, profit-to-sales ratios, production employment, and capacity utilization. The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, lost sales, and pricing information. We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are properly supported by accurate and adequate evidence and meet the statutory requirements for initiation. *See* Initiation Checklist.

Initiation of Antidumping Investigations

Based upon our examination of the petitions on OCTG, we have found that they meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of OCTG from Austria, Brazil, the PRC, France, Germany, India, Indonesia, Romania, South Africa, Spain, Turkey, Ukraine, and Venezuela are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended pursuant to section 733(b)(1)(A) of the Act, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of each petition has been provided to the representatives of the governments of Austria, Brazil, the PRC, France, Germany, India, Indonesia, Romania, South Africa, Spain, Turkey, Ukraine, and Venezuela. We will attempt to provide a copy of the public

version of each petition to each exporter named in the petitions, as provided for under 19 CFR 351.203(c)(2).

ITC Notification

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

Preliminary Determinations by the ITC

The ITC will determine no later than May 13, 2002, whether there is a reasonable indication that imports of OCTG from Austria, Brazil, the PRC, France, Germany, India, Indonesia, Romania, South Africa, Spain, Turkey, Ukraine, and Venezuela are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

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

DATED: April 18, 2002

Bernard T. Carreau,

Acting Assistant Secretary for Import Administration.

[FR Doc. 02-10349 Filed 4-25-02; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

[C-433-810]

Oil Country Tubular Goods from Austria: Notice of Initiation of Countervailing Duty Investigation

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

EFFECTIVE DATE: April 26, 2002.

FOR FURTHER INFORMATION CONTACT: Mark Hoadley (202-482-0666), AD/CVD Enforcement Group III, Office 7, Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230.

SUPPLEMENTARY INFORMATION:

INITIATION OF INVESTIGATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are to the Tariff Act of 1930, as amended. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR Part 351 (2001).

The Petition

On March 29, 2002, the Department of Commerce (the Department) received a petition filed in proper form on behalf of IPSCO Tubulars Inc., Koppel Steel Corporation, a division of NS Group, Lone Star Steel Company, Maverick Tube Corporation, Newport Steel Corporation, a division of NS Group, and the United States Steel Corporation of America (hereinafter, the petitioners). The Department received from the petitioners information supplementing the petition on April 12, 2002. On April 15, 2002, the Department received comments from the Government of Austria (GOA) and the Delegation of the European Commission (EC) regarding the petition. We placed these comments on the record on April 17, 2002.

In accordance with section 702(b)(1) of the Act, the petitioners allege that Voest-Alpine Tubulars GmbH & Co KG ("Voest-Alpine Tubulars"), a producer/exporter of oil country tubular goods (OCTG) in Austria, received countervailable subsidies within the meaning of section 701 of the Act. The petitioners simultaneously filed antidumping petitions on a number of countries, including Austria. The initiation of these antidumping investigations is addressed in a separate **Federal Register** notice, which is published concurrently with this notice.

The Department finds that the petitioners filed the petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (D) of the Act. The petitioners have demonstrated sufficient industry support with respect to the countervailing duty investigation which they are requesting the Department to initiate (*see Determination of Industry Support for the Petition*, below).

Scope of the Investigation

For purposes of this investigation, the products covered are certain OCTGs. OCTGs are hollow steel products of circular cross-section, including oil well casing, tubing, and drill pipe, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). The scope for this investigation does not cover casing, tubing, or drill pipe containing 10.5 percent or more of chromium or finished drill pipe with tool joint attached. The merchandise subject to this investigation is typically classified in the following Harmonized Tariff