issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice.

Interested parties who wish to request a hearing or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, Room B–099,within 30 days of the date of publication of this notice. Requests should contain: (1) The party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. *See* 19 CFR 351.310(c).

Assessment Rates

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. The Department will issue appropriate appraisement instructions directly to the Customs Service upon completion of this review. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review and for future deposits of estimated duties. We will instruct the Customs Service to assess antidumping duties on all appropriate entries covered by this review if any assessment rate calculated in the final results of this review is above *de minimis* (*i.e,* at or above 0.5 percent) pursuant to section 351.106(c)(2) of the Department's regulations. For assessment purposes, if applicable, we intend to calculate an importer-specific assessment rate by aggregating the dumping margins calculated for all U.S. sales and dividing this amount by the total quantity sold.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of carbon steel wire rod from Argentina entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) the cash deposit rate for Acindar will be the rate established in the final results of administrative review, except if the rate is less than 0.5 percent, and therefore, *de minimis* within the meaning of 19 CFR 351.106, in which case the cash deposit rate will be zero; (2) for merchandise exported by manufacturers or exporters not covered in this review, but covered in the original less than fair value (LTFV) investigation, the cash deposit rate will continue to be the rate published in the final determination; or (3) if the exporter is not a firm covered in this review or the LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 119.11 percent, the ''All Others'' rate made effective by the LTFV determination. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

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

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: November 10, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–30283 Filed 11–18–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–588–853]

Initiation of Antidumping Duty Investigation: Circular Seamless Stainless Steel Hollow Products From Japan

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

EFFECTIVE DATE: November 19, 1999.

FOR FURTHER INFORMATION CONTACT: Charles Riggle or Constance Handley at (202) 482–0650 and (202) 482–0631, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230.

Initiation of Investigation

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (''the Act'') by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 351 (1998).

The Petition

On October 26, 1999, the Department of Commerce (''the Department'') received a petition on circular seamless stainless steel hollow products from Japan filed in proper form by Altx, Inc., American Extruded Products, PMAC Ltd, DMV Stainless USA, Inc., Salem Tube Inc., Sandvik Steel Co. International Extruded Products LLC and the United Steel Workers of America, AFL–CIO/CLC. On November 9, 1999, Pennsylvania Extruded Company (Pexco) joined as a co-petitioner in the case. The Department received supplements to the petition on November 9, 10, and 12, 1999.

In accordance with section 732(b) of the Act, the petitioners allege that imports of circular seamless stainless steel hollow products from Japan are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring an industry in the United States.

The Department finds that the petitioners filed this petition 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 the antidumping investigation they are requesting the Department to initiate (*see Determination of Industry Support for the Petition* below).

Scope of Investigation

The scope of this investigation covers seamless stainless hollow products, including pipes, tubes, redraw hollows, and hollow bars, of circular cross section, containing 10.5 percent or more by weight chromium, regardless of production process, outside diameter, wall thickness, length, industry specification (domestic, foreign or proprietary), grade or intended use. Common specifications for the subject seamless stainless steel hollow products include, but are not limited to, ASTM–A–213, ASTM–A–268, ASTM–A–269, ASTM–A–270, ASTM–A–271, ASTM–A–312, ASTM–A–376, ASTM–A–498, ASTM–A–511, ASTM–A–632, ASTM–A–731 ASTM–A–771, ASTM–A–789, ASTM–A–790, ASTM–A–826 and their proprietary or foreign equivalents.

The merchandise covered by this petition is found in the Harmonized

Tariff Schedule of the United States (HTSUS) subheadings 7304.10.50.20, 7304.10.50.50, 7304.10.50.80, 7304.41.30.05, 7304.41.30.15, 7304.41.30.45, 7304.41.60.05, 7304.41.60.15, 7304.41.60.45, 7304.49.00.05, 7304.49.00.15, 7304.49.00.45, 7304.49.00.60. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive. Excluded from the scope of the investigation are finished oil country tubular goods certified to American Petroleum Institute (''API'') standard 5CT or 5D. Also excluded are hollow drill bars and rods, classifiable under 7228.80 of the HTSUS.

During our review of the petition, we discussed the scope with the petitioners to ensure that the scope in the petition accurately reflects the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations (62 FR 27323), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments by December 13, 1999. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 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 determination.

Determination of Industry Support for the Petition

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 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.

Section 771(4)(A) of the Act defines the ''industry'' as the producers of a domestic like product. Thus, to determine whether the petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The 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.[1]

Section 771(10) of the Act defines the domestic like product as ''a product that 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.

After the filing of the petition, we received comments from U.S. redrawers and from Sumitomo Metal Industries, Ltd. (Sumitomo), a Japanese producer of the subject merchandise, requesting that for the purposes of determining industry support, the Department define hot-finished pipe and cold-drawn pipe as separate like products. These parties contend that hot-finished and cold-drawn pipe are made by different companies with different equipment and sold for different uses.

In addition, Sumitomo argues that while the ordinary uses for pipe and tubing can be met by the hot-rolling process, there are uses such as heat exchange, hydraulics, instrumentation, and subsea control and service, which demand greater accuracy, higher physical properties, better surfaces, thinner walls and smaller diameters that require cold-drawing methods. Therefore, both the U.S. redrawers and Sumitomo requested that the Department poll producers of hot-finished and cold-drawn pipe and tube separately to determine if the petitioners have adequate industry support for both types of products.

On November 12, 1999, the petitioners submitted rebuttal comments, stating that with the addition of Pexco, the largest U.S. domestic producer of the subject merchandise, as a petitioner, the petition has clearly been filed on behalf of the U.S. domestic industry whether circular seamless stainless steel hollow products are treated as a single like product, or as two distinct like products.

For purposes of this initiation, we are adopting the domestic like product definition set forth in the petition. Seamless stainless steel hollow products are made along a continuum of sizes and grades, with a degree of substitution of one type of product for another along the continuum. While we recognize that certain differences exist between the products in the proposed like product groupings, we find that the similarities are more significant. For example, all products in the proposed like product groupings share characteristics, such as chemical composition, that make them suitable for uses in pressurized, corrosive, high-temperature environments. Moreover, Sumitomo acknowledged in its November 10, 1999, submission (at 11) that no particular general application is always the exclusive domain of either hot-finished or cold-finished products.

With regard to the assertion that hot-finished and cold-drawn hollow products are manufactured by different companies and with different equipment, given the time constraints placed on the Department, our industry support analysis focuses on the factors specified in section 771(10) of the Act, *i.e.*, physical characteristics and uses of the domestic like product. Moreover, as stated above, based on the evidence available, we find that the similarities outweigh the differences between these products.

Further, several steel cases support our conclusion that hot-finished and cold-drawn products are treated appropriately as a single like product by the Department. *See e.g. Initiation of Antidumping Duty Investigations: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Japan and Mexico; and Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From the Czech Republic, Japan, the Republic of South Africa and Romania,* 64 FR 40825 (July 28, 1999); *Final Determination of Sales at Less Than Fair Value; Stainless Steel Hollow Products from Sweden,* 52 FR 37810 (October 9, 1987); *Small Diameter Circular Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Germany: Final Results of Antidumping Duty Administrative Review,* 63 FR 13217 (March 18, 1998) and *Stainless Steel Bar From Japan: Final Results of Antidumping*

[1] *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).

Administrative Review, 64 FR 36333 (July 6, 1999). The facts of this case do not justify departure from our large body of established precedent.

Because the petitioners did not account for more than 50 percent of the domestic production at the time the petition was filed, we polled the industry as directed in 732(c)(4)(D) of the Act. While certain domestic producers[2] expressed opposition to the petition, the entry of Pexco on November 9, 1999, as a petitioner now means that the petitioners account for more than 50 per cent of total production of the domestic like product. As such, they have established the requisite level of industry support. *See Attachment to the Initiation Checklist, Re: Industry Support,* November 15, 1999.

Sumitomo argued further that the Department should have gathered U.S. production data for the period July 1, 1998, through June 30, 1999, rather than calendar year 1998 data, for purposes of its industry support analysis because this period would reflect the most recent state of the industry. With regard to Sumitomo's argument as to the use of 1998 production data, we note that, pursuant to 19 CFR 351.203(e)(1), the Department has discretion in defining the 12-month period for which production will be measured. In this case, we believe that the calender year 1998, which was used in the petition for the purposes of demonstrating industry support, is representative and consistent with Department practice. *See e.g., Initiation Checklist for the Petitions Covering Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, South Africa, Slovakia, Indonesia, Japan, Thailand, Taiwan, Venezuela, the People's Republic of China, Turkey, and Russia,* dated June 14, 1999, and *Initiation Checklist* for the *Petition Covering Solid Agricultural Grade Ammonium Nitrate from The Russian Federation,* dated June 21, 1999.

Finally, Sumitomo stated that 1998 production by Al Tech, whose seamless pipe production facility was later purchased by the petitioner Altx, should not be considered for purposes of determining industry support. The petitioners claimed that the inclusion of Al Tech's 1998 production is appropriate because the equipment employed in 1998 to produce the like product is now operated by Altx. We note that this is a moot point because, with the entry of Pexco as a petitioner, the inclusion of Al Tech's production is not necessary for the petitioners to demonstrate adequate industry support.

Export Price and Normal Value

The petitioners, in determining normal value (''NV'') for Japan, relied upon price data contained in a confidential market research report filed with the Department. At our request, the petitioners arranged for the Department to contact the authors of the report to verify the accuracy of the data, the methodology used to collect the data, and the credentials of those gathering the market research. The Department's discussion with the authors of the market research reports is summarized in *Memorandum to the File: Re: Foreign Market Research Reports,* dated November 2, 1999.

The petitioners based EP on affidavits of U.S. price offerings for seamless stainless steel hollow products manufactured by Sumitomo, Nippon, and Sanyo during January through April 1999. The petitioners selected seamless stainless hollow products with specifications commonly exported to the United States. In the absence of more definitive information, the petitioners refer to the date of the offer as the date of sale. The affidavits with the sales price offers reflect the prices offered to an unaffiliated customer.

The petitioners calculated a net U.S. price by subtracting estimated costs for shipment from the factory in Japan to the port of export, and Japanese trading company commissions, from the sales price. For a more detailed discussion of the deductions and adjustments relating to home market price, U.S. price, factors of production and sources of data, *see Initiation Checklist,* dated November 15, 1999. Should the need arise to use as facts available under section 776 of the Act any of this information in our preliminary or final determinations, we may re-examine the information and revise the margin calculations, if appropriate.

As further explained below in the ''Initiation of Cost Investigation'' section, the petitioners provided information demonstrating reasonable grounds to believe or suspect that sales of seamless stainless steel hollow products sold 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. Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (''COM''), selling, general, and administrative expenses (''SG&A'') and packing. To calculate COP, the petitioners based COM on their own production experience, adjusted for known differences between costs incurred to produce seamless stainless steel hollow products in the United States and in Japan using market research and publicly available data.

To calculate SG&A and financial expenses, petitioners relied upon the fiscal year 1998 audited financial statements of a Japanese steel producer. Based upon the comparison of the adjusted prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

When we find that sales in the home market are made at prices below cost, we compare EP to constructed value[3] (''CV''). The margin calculations based on price to CV comparisons, indicate dumping margins ranging from 30.86–156.81 percent. The estimated dumping margins, based on price-to-price comparisons, range from 11.72–49.17 percent.

Based on the data provided by the petitioners, there is reason to believe that imports of circular stainless steel hollow products from Japan are being, or are likely to be, sold at less than normal value.

Initiation of Cost Investigation

As noted above, pursuant to section 773(b) of the Act, the petitioners provided specific factual information demonstrating reasonable grounds to believe or suspect that sales in the Japanese home market were made at prices below the fully absorbed COP and, accordingly, requested that the Department conduct a country-wide sales-below-COP investigation in connection with the requested antidumping investigation for Japan. The Statement of Administrative Action accompanying the URAA, H.R. Doc. 103–412 (''SAA''), states that an allegation of sales below COP need not be specific to individual exporters or producers. SAA at 833. 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

[2] These producers are principally redrawers who import, directly or indirectly, at least some of their inputs from Japan.

[3] Pursuant to section 773(e) of the Act, the constructed value is the sum of (1) the cost of materials and fabrication of the subject merchandise, (2) selling, general, and administrative expenses and profit in the foreign market, and (3) the cost of packing for exportation to the United States.

initiating an antidumping investigation.''

Further, the SAA provides that ''new section 773(b)(2)(A) retains the current requirement that Commerce have 'reasonable grounds to believe or suspect' that below cost sales have occurred before initiating such an investigation. 'Reasonable grounds' * * * exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices.'' *Id.* Based upon the comparison of the adjusted prices from the petition for the representative foreign like products to their costs of production, we find the existence of ''reasonable grounds to believe or suspect'' that sales of these foreign like products in Japan were made below the COP within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating the requested country-wide cost investigation.

Allegations and Evidence of Material Injury and Causation

The petition alleges that the U.S. industry producing the domestic like products is being materially injured, and is threatened with material injury, by reason of the individual and cumulated imports of the subject merchandise sold at less than NV. The petitioners explained that the industry's injured condition is evident in the declining trends in (1) U.S. market share, (2) average unit sales values, (3) share of domestic consumption, (4) operating income, (5) employment, (6) output, (7) sales, (8) return on investment, (9) capacity utilization, (10) ability to raise capital and (11) cash flow.

The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, lost sales, and pricing information. The Department assessed the allegations and supporting evidence regarding material injury and causation and determined that these allegations are supported by accurate and adequate evidence and meet the statutory requirements for initiation (*see Attachments to Initiation Checklist, Re: Material Injury,* November 15, 1999).

Initiation of Antidumping Investigation

Based upon our examination of the petition on circular seamless stainless steel hollow products from Japan, we find that the petition meets the requirements of section 732 of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of circular seamless stainless steel hollow products from Japan are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of the petition has been provided to the representatives of Japan. We will attempt to provide a copy of the public versions of each petition to each exporter named in the petition, as appropriate.

International Trade Commission Notification

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

Preliminary Determinations by the ITC

The ITC will determine, by no later than December 10, 1999, whether there is a reasonable indication that imports of circular seamless stainless steel hollow products from Japan are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, this investigation will proceed according to statutory and regulatory time limits.

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

Dated: November 15, 1999.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–30282 Filed 11–18–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmitted No. 00–17]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104–164 dated 21 July 1996.

FOR FURTHER INFORMATION CONTACT: Ms. J. Hurd, DSCA/COMPT/RM, (703) 604–6575.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 00–17 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: November 15, 1999.

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

BILLING CODE 5001–10–M