

have determined that the petition alleges the elements necessary for the imposition of a duty under section 731 of the Act and contains information reasonably available to the petitioner supporting the allegations (see *Initiation Checklist* at Attachment II).

Initiation of Antidumping Investigation

Based upon our examination of the petition on ball bearings and parts thereof from the PRC and the petitioner's responses to our supplemental questionnaire clarifying the petition, we have found that the petition meets the requirements of section 732 of the Act. See *Initiation Checklist*. Therefore, we are initiating an antidumping duty investigation to determine whether imports of ball bearings and parts thereof from the PRC are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is postponed, we will make our preliminary determination no later than 140 days after the date of this initiation. See "Case Calendar" section of the *Initiation Checklist*.

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 the government of the PRC. We will attempt to provide a copy of the public version of the petition to each exporter named in the petition, as appropriate.

International Trade Commission Notification

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

Preliminary Determination by the ITC

The ITC will determine, no later than April 1, 2002, whether there is a reasonable indication that imports of ball bearings and parts thereof from the PRC 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 issued and published pursuant to section 777(i) of the Act.

Dated: March 25, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-821-817]

Initiation of Antidumping Duty Investigation: Silicon Metal From the Russian Federation

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

EFFECTIVE DATE: April 3, 2002.

FOR FURTHER INFORMATION CONTACT: Alex Villanueva or Aishe Allen, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6412, (202) 482-0172, respectively.

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 ("Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("Department") regulations are to 19 CFR Part 351 (2002).

The Petition

On March 7, 2002, the Department received a petition on imports of silicon metal from the Russian Federation ("Russia") filed in proper form by Globe Metallurgical Inc., Simcala Inc., the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, I.U.E.-C.W.A., AFL-CIO, C.L.C., Local 693, The Paper, Allied-Industrial, Chemical and Energy Workers International Union, Local 5-89, and the United Steel Workers of America, AFL-CIO, Local 9436, hereinafter referred to as "the petitioners." On March 13, 2002, the Department requested clarification of certain areas of the petition and received a response on March 18, 2002.

In accordance with section 732(b) of the Act, the petitioners allege that imports of silicon metal from Russian are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring and threaten to injure an industry in the United States.

The petitioners are domestic producers of silicon metal and account for over 25 percent of domestic production of silicon metal, as defined

in the petition. Therefore, the Department finds that the petitioners have standing to file the petition because they are interested parties as defined under section 771(9)(C) of the Act, with respect to the subject merchandise. The petitioners have demonstrated sufficient industry support with respect to the antidumping duty investigation they are requesting the Department to initiate (see "Determination of Industry Support for the Petition" below).

Scope of Investigation

For purposes of this investigation, the product covered is silicon metal, which generally contains at least 96.00 percent but less than 99.99 percent silicon by weight. The merchandise covered by this investigation also includes silicon metal from Russia containing between 89.00 and 96.00 percent silicon by weight, but containing more aluminum than the silicon metal which contains at least 96.00 percent but less than 99.99 percent silicon by weight. Silicon metal currently is classifiable under subheadings 2804.69.10 and 2804.69.50 of the Harmonized Tariff Schedule of the United States ("HTSUS"). This investigation covers all silicon metal meeting the above specification, regardless of tariff classification.

During our review of the petition, we discussed the scope with the petitioners to ensure that it accurately reflects the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage. See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27295, 27323 (1997). The Department encourages all interested 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 at 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 interested 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 as a whole 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 the Department and the ITC must apply the same statutory definition regarding the domestic like product (*see* 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 domestic like product, such differences do not render the decision of either agency contrary to law.¹

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

In this case, the domestic like product referred to in the petition is the single domestic like product defined in the "Scope of Investigation" section, above. At this time, the Department has no basis on the record to find the petition's definition of the domestic like product to be inaccurate. The Department, therefore, has adopted the domestic like product definition set forth in the petition.

Moreover, the Department has determined that the petition contains adequate evidence of industry support; therefore, polling was unnecessary (*see Initiation Checklist Re: Industry*

Support, March 27, 2002) ("*Initiation Checklist*"). To the best of the Department's knowledge, producers supporting the petition represent over 50 percent of total production of the domestic like product. Additionally, no person who would qualify as an interested party pursuant to section 771(9) (A), (C), (D), (E), or (F) of the Act has expressed opposition to the petition.

Accordingly, the Department determines that this petition is filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Export Price

The following is a description of the allegation of sales at less than fair value upon which the Department based its decision to initiate this investigation. The sources of data for the deductions and adjustments relating to U.S. price and factors of production are also discussed in the *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 determination, we may reexamine the information and revise the margin calculations, if appropriate.

The petitioners identified the following Russian companies as major producers of silicon metal in Russia: Bratsk Aluminum Plant ("Bratsk"), JSC Russian Aluminum, Uralsky Aluminum Plant ("Uralsky"), and Irkutsk Aluminum Plant ("Irkutsk").

The petitioners based export price ("EP") on import values declared to the U.S. Customs Service ("Customs"). In calculating import values declared to Customs, the petitioners used the HTSUS category under which subject merchandise is currently classified (*i.e.*, 2804.69.10 and 2804.69.50). The petitioners calculated EP based on the average unit values ("AUVs") for entries of subject merchandise during July through December 2001. For purposes of initiation, we re-calculated the average U.S. price based on HTSUS by using a quantity-based weighted-average of each HSTUS subheading. *See Initiation Checklist*. In order to obtain ex-factory prices, the petitioners deducted foreign inland freight from the Customs value. For purposes of calculating foreign inland freight, the petitioners used the surrogate value for rail because of the large distances involved and the lower expense of shipping by rail, as compared to shipments by truck.

To determine export price, we relied on the data in the petition except that we adjusted the petitioners' estimate for foreign inland freight. *See Initiation Checklist*. To value foreign inland

freight, the petitioners first calculated an average distance of three known producers of silicon metal in Russia to each producer's nearest port. *See Initiation Checklist*. The petitioners reported that the average distance for the three known producers of silicon metal in Russia to the nearest port was 4,149 kilometers. The petitioners multiplied this distance by an Egyptian surrogate value for rail freight that was based on an average of rates for distances ranging from 98 to 884 kilometers. For purposes of initiation, we revalued freight by multiplying the average distance to the port by the Egyptian surrogate value for rail freight for 884 kilometers only, as this is the closest distance to 4,149 kilometers.

Non-Market Economy Status

The petitioners asserted that Russia is a non-market economy country ("NME") and no determination to the contrary has yet been made by the Department. In previous investigations, the Department has determined that Russia is an NME. *See Notice of Final Determination of Sales at Less Than Fair Value: Pure Magnesium from Russian Federation* ("Magnesium from Russia"), 66 FR 49347 (September 27, 2001). In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the Russian Federation has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the normal value of the product appropriately is based on factors of production valued in a surrogate market economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties will have the opportunity to provide relevant information related to the issues of Russia's NME status and the granting of separate rates to individual exporters.

Normal Value

The petitioners provided a dumping margin calculation using the Department's NME methodology as required by 19 C.F.R. § 351.202(b)(7)(i)(C). For the normal value ("NV") calculation, petitioners based the factors of production, as defined by section 773(c)(3) of the Act (raw materials, labor and energy), for silicon metal on information from Russian producers. *See Initiation Checklist*.

The petitioners selected Egypt as their surrogate country. The petitioners argued that pursuant to 773(c)(4) of the Act, Egypt is an appropriate surrogate

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).

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 Egypt 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 factors of production, where possible, on reasonably available, public surrogate country data. To value certain raw materials, the petitioners used import statistics from Egypt, as reported in the United Nations Statistical Division Commodity Trade Database System ("UNCTS") for 1999, excluding those values from countries previously determined by the Department to be NME countries. For inputs valued in Egyptian pounds and not contemporaneous with the period of investigation ("POI") (i.e., July – December 2001), we used information from the wholesale price indices ("WPI") in Egypt as published in the International Financial Statistics ("IFS"), December 2001, to determine the inflation adjustment. The surrogate values calculated by the petitioners for raw materials were recently used in the antidumping duty investigation of silicomanganese from Kazakhstan, with the exception of electrode paste, charcoal and wood chips. *See Notice of Preliminary Determination of Sales at Less Than Fair Value:*

Silicomanganese from Kazakhstan, ("Silicomanganese from Kazakhstan") 66 FR 56639 (November 9, 2001) and *Initiation Checklist*.

Labor was valued using the regression-based wage rate for Russia provided by the Department, which is available on the Import Administration's website, in accordance with 19 CFR 351.408(c)(3). Petitioners valued electricity using the same Egyptian surrogate value used in *Silicomanganese from Kazakhstan*.

Factory overhead, selling, general and administrative expenses (SG&A), interest, and profit were derived from the 1999–2000 financial statements of Sinai Manganese Company ("Sinai"), an Egyptian ferro-manganese alloys producer.

We made adjustments to NV for electrode paste, charcoal, wood chips, and the surrogate ratios. For further information, see the *Initiation Checklist*.

Based on comparisons of EP to NV, calculated in accordance with section 773(c) of the Act, the estimated recalculated dumping margin for silicon metal from Russia is 97.17 percent.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of silicon metal from Russia are being, or are likely to be, sold in the United States at less than fair value.

Allegations and Evidence of Material Injury and Causation

The petition alleges that the U.S. industry producing the domestic like product is being materially injured and is threatened with material injury, by reason of the imports of the subject merchandise sold at less than NV. The petitioners contend that the industry's injured condition is evident in (1) declines in production, (2) declines in shipments, and (3) declines in prices (4) capacity utilization, and (5) employment.

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*).

Initiation of Antidumping Investigation

Based upon our examination of the petition on silicon metal imports from Russia, 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 silicon metal from Russia are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determination 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 government representatives of Russia. We will attempt to provide a copy of the public version of the petition to each exporter named in the petition, as appropriate.

International Trade Commission Notification

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

Preliminary Determination by the ITC

The ITC will preliminarily determine, no later than April 22, 2002, whether there is a reasonable indication that imports of silicon metal from Russia are causing material injury, or threatening

to cause material injury, to a U.S. industry. A negative ITC determination will result in this 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: March 27, 2002

Faryar Shirzad,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–813]

Notice of Extension of Time Limit of Preliminary Results of New Shipper Review: Stainless Steel Butt-Weld Pipe Fittings from Korea

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

ACTION: Notice of Extension of Time Limit of Preliminary Results of New Shipper Review.

EFFECTIVE DATE: April 3, 2002.

FOR FURTHER INFORMATION CONTACT: Fred Baker at (202) 482–2924 or Robert James at (202) 482–0649; Antidumping and Countervailing Duty Enforcement Group III, Office Eight, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue N.W., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

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

Background

On February 23, 1993, the Department published the antidumping duty order on stainless steel butt-weld pipe fittings from Korea. *See Antidumping Duty Order: Certain Welded Stainless Steel Butt-Weld Pipe Fittings from Korea*, 58 FR 11029 (February 23, 1993). On August 31, 2001, TK Corporation, a