Determination: Certain Steel Products from Italy, 58 FR 37327 (July 9, 1993). Therefore, we are not investigating the provision of ''other companies'' for less than adequate remuneration.

7. Other Grant Programs

Petitioners assert that a review of available financial reports of Chinese welded line pipe producers indicates that many of the producers have benefitted from direct cash grants provided under other grant programs and policies administered by the GOC. Petitioners, however, have not adequately established with reasonably available evidence how these programs are specific. Petitioners also have not established whether these grants are a result of programs separate from those which Petitioners have already alleged. We, therefore, are not investigating this program.

Application of the Countervailing Duty Law to the PRC

The Department has treated the PRC as a non-market economy (''NME'') country in all past AD investigations and administrative reviews. In accordance with section 771(18)(C)(i) of the Act, any determination that a country is an NME country shall remain in effect until revoked by the administering authority. *See, e.g., Tapered Roller Bearings and Parts Thereof, Finished and 10 Unfinished, (''TRBs'') From the People's Republic of China: Preliminary Results of 2001–2002 Administrative Review and Partial Rescission of Review*, 68 FR 7500, 7500–1 (February 14, 2003), unchanged in *TRBs from the People's Republic of China: Final Results of 2001–2002 Administrative Review*, 68 FR 70488, 70488–89 (December 18, 2003).

In the final affirmative CVD determination on coated free sheet paper from the PRC, the Department determined that the current nature of the PRC economy does not create obstacles to applying the necessary criteria in the CVD law. *See Coated Free Sheet Paper from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 72 FR 60645 (October 25, 2007), and the accompanying Issues and Decision Memorandum at Comment 1. Therefore, because Petitioners have provided sufficient allegations and support of their allegations to meet the statutory criteria for initiating a CVD investigation of welded line pipe from the PRC, initiation of a CVD investigation is warranted in this case.

Respondent Selection

For this investigation, the Department expects to select respondents based on U.S. Customs and Border Protection (''CBP'') data for U.S. imports during the POI. We intend to make our decision regarding respondent selection within 20 days of publication of this **Federal Register** notice. The Department invites comments regarding the CBP data and respondent selection within seven calendar days of publication of this **Federal Register** notice.

Distribution of Copies of the Petition

In accordance with section 702(b)(4)(A)(i) of the Act, a copy of the public version of the Petition has been provided to the GOC. As soon as possible and to the extent practicable, we will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, consistent with 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiation, as required by section 702(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 25 days after the date on which it receives notice of the initiation, whether there is a reasonable indication that imports of subsidized welded line pipe from the PRC are causing material injury, or threatening to cause material injury, to a U.S. industry. *See* Section 703(a)(2) of the Act. A negative ITC determination will result in the investigation being terminated; otherwise, the 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: April 23, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–9345 Filed 4–28–08; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–861, A–570–935]

Certain Circular Welded Carbon Quality Steel Line Pipe From the Republic of Korea and the People's Republic of China: Initiation of Antidumping Duty Investigations

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

DATES: *Effective Date:* April 29, 2008.

FOR FURTHER INFORMATION CONTACT: Dena Crossland (Republic of Korea), Jeffrey Pederson, or Rebecca Pandolph (People's Republic of China), AD/CVD Operations, Office 7 and Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: 202–482–3362, 202–482–2769, or 202–482–3627, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On April 3, 2008, the Department of Commerce (''Department'') received the petition concerning imports of certain circular welded carbon quality steel line pipe (''welded line pipe'') from the Republic of Korea (''Korea'') and the People's Republic of China (''PRC'') filed in proper form by United States Steel Corporation (''U.S. Steel''), Maverick Tube Corporation (''Maverick''), Tex-Tube Company (''Tex-Tube''), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, and AFL–CIO–CLC (''United Steelworkers'') (collectively, ''Petitioners''). *See* Imposition of Antidumping and Countervailing Duties: Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China and the Republic of Korea, dated April 3, 2008 (in four volumes) (''Petition'').

On April 9, 2008, the Department issued requests for additional information and clarification of certain areas of the Petition. Based on the Department's requests, Petitioners filed additional information supplementing the Petition on April 14, 2008, including one submission on general issues (Response to the Department Questionnaire Concerning Volume I of the Petition, dated April 14, 2008 (''Supp. Response'')), one distinct submission on Korea-only material (Response to the Department Questionnaire Concerning the Republic of Korea, dated April 14, 2008 (''Supp. Korea Response'')), and one distinct submission on PRC-only material (Response to the Department Questionnaire Concerning the People's Republic of China, dated April 14, 2008 (''Supp. PRC AD Response'')). On April 16 and April 17, 2008, the Department called Petitioners to request certain information relating to the Petition, the Supp. Korea Response, and the Supp. PRC AD Response. *See* Memorandum to the File from Meredith A.W. Rutherford,

Import Policy Analyst, regarding Petitions for the Imposition of Antidumping and Countervailing Duties—Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China and the Republic of Korea: Phone Call with Petitioner Regarding Industry Support, dated April 16, 2008; Memorandum to the File from Juanita H. Chen, Special Assistant to the SEC Office, through Edward C. Yang, Director, SEC Office, AD/CVD Operations, China/NME Group, regarding Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Request for Information, dated April 17, 2008; and Memorandum to the File from Dena Crossland, Analyst, through Patrick Edwards, Acting Program Manager, AD/CVD Operations, Office 7, regarding Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea: Request for Information, dated April 17, 2008. On April 18, 2008, Wheatland Tube Company, a U.S. manufacturer of welded line pipe, filed a letter in support of the Petition. On April 21, 2008, Petitioners filed additional information in response to the Department's April 16, 2008, and April 17, 2008, request for information. *See* Response to the Department's Second Request for Additional Information Concerning the People's Republic of China and the Republic of Korea, dated April 21, 2008 (''Second Supp. Response''); Response to the Department's Second Request for Additional Information Concerning the People's Republic of China, dated April 21, 2008 (''Second Supp. PRC AD Response''); and Response to the Department's Second Request for Additional Information Concerning the Republic of Korea, dated April 21, 2008 (''Second Supp. Korea Response''). On April 21, 2008, The Department called Petitioners regarding the scope language. *See* Memorandum to the File from Norbert Gannon, Supervisory Import Policy Analyst, regarding Petitions for the Imposition of Antidumping and Countervailing Duties—Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China and the Republic of Korea: Phone Call with Petitioner Regarding Scope, dated April 21, 2008. Additionally, on April 21, 2008, Stupp Corporation, a domestic producer of subject merchandise, filed a letter in support of the Petition.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (''Act''), Petitioners allege that imports of welded line pipe from Korea and the PRC are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because Petitioners are interested parties as defined in sections 771(9)(C) and 771(9)(D) of the Act, and have demonstrated sufficient industry support with respect to the antidumping duty investigations that Petitioners are requesting that the Department initiate. *See* ''Determination of Industry Support for the Petition'' section below.

Periods of Investigation

The period of investigation (''POI'') for Korea is April 1, 2007, through March 31, 2008. The POI for the PRC is October 1, 2007, through March 31, 2008. See 19 CFR 351.204(b)(1).

Scope of Investigations

The merchandise covered by each of these investigations is circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (''welded line pipe''), not more that 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.

The term ''carbon quality steel'' includes both carbon steel and carbon steel mixed with small amounts of alloying elements that may exceed the individual weight limits for nonalloy steels imposed in the Harmonized Tariff Schedule of the United States (''HTSUS''). Specifically, the term ''carbon quality'' includes products in which (1) Iron predominates by weight over each of the other contained elements, (2) the carbon content is 2 percent or less by weight and (3) none of the elements listed below exceeds the quantity by weight respectively indicated:

(i) 2.00 percent of manganese,
(ii) 2.25 percent of silicon,
(iii) 1.00 percent of copper,
(iv) 0.50 percent of aluminum,
(v) 1.25 percent of chromium,
(vi) 0.30 percent of cobalt,
(vii) 0.40 percent of lead,
(viii) 1.25 percent of nickel,
(ix) 0.30 percent of tungsten,
(x) 0.012 percent of boron,
(xi) 0.50 percent of molybdenum,
(xii) 0.15 percent of niobium,
(xiii) 0.41 percent of titanium,
(xiv) 0.15 percent of vanadium, or
(xv) 0.15 percent of zirconium.

Welded line pipe is normally produced to specifications published by the American Petroleum Institute (''API'') (or comparable foreign specifications) including API A–25, 5LA, 5LB, and X grades from 42 and above, and/or any other proprietary grades or non-graded material. Nevertheless, all pipe meeting the physical description set forth above that is of a kind used in oil and gas pipelines, including all multiple-stenciled pipe with an API line pipe stencil is covered by the scope of these investigations.

The line pipe products that are the subject of these investigations are currently classifiable in the HTSUS under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

Comments on Scope of Investigations

During our review of the Petition, we discussed the scope with Petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. The scope of these investigations covers line pipe which, we recognize, may include certain merchandise potentially subject to the on-going antidumping (''AD'') and countervailing duty (''CVD'') investigations of circular welded pipe (''CWP''). *See Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Notice of Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 73 FR 2445 (January 15, 2008); *see also Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination; Preliminary Affirmative Determination of Critical Circumstances; and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 72 FR 63875 (November 13, 2007). Given that the scope issue has not been finally resolved in the CWP investigations, for purposes of these initiations, we have defined the scope to include the potential overlap. However, we intend to resolve the issue to ensure that there will be no overlap between the scopes in the CWP and welded line pipe cases. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by May 13, 2008, which is 20 calendar days

from the date of signature of this notice. Comments should be addressed to Import Administration's APO/Dockets Unit, Room 1117, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

Comments on Product Characteristics for Antidumping Duty Questionnaires

We are requesting comments from interested parties regarding the appropriate physical characteristics of welded line pipe to be reported in response to the Department's antidumping duty questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to more accurately report the relevant factors and costs of production, as well as to develop appropriate product comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate listing of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as (1) general product characteristics and (2) the product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe welded line pipe, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in product matching. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the antidumping duty questionnaires, we must receive comments at the above-referenced address by May 13, 2008. Additionally, rebuttal comments addressing only those issues raised in the comments must be received by May 20, 2008.

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: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A), or (ii) determine industry support using a statistically valid sampling method.

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

Section 771(10) of the Act defines the domestic like product as ''a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this 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).

With regard to the domestic like product, Petitioners do not offer a definition of domestic like product distinct from the scope of these investigations. Based on our analysis of the information submitted on the record, we have determined that welded line pipe constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, *see* ''Antidumping Duty Investigation Initiation Checklist: Certain Circular Welded Carbon Quality Steel Line Pipe from the Republic of Korea (Korea)'' (''Korea Initiation Checklist''), Industry Support at Attachment II, and ''Antidumping Duty Investigation Initiation Checklist: Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China'' (''PRC Initiation Checklist''), Industry Support at Attachment II, on file in the Central Records Unit (''CRU''), Room 1117 of the main Department of Commerce building.

With regard to section 732(c)(4)(A) of the Act, in determining whether Petitioners have standing (*i.e.*, those domestic workers and producers supporting 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), we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the ''Scope of Investigations'' section, above. To establish industry support, Petitioners provided their shipments for the domestic like product for the year 2007, and compared them to shipments of the domestic like product for the industry. In the Petition, Petitioners demonstrated the correlation between shipments and production and argued that shipments are a good proxy for production. *See* Petition, Volume I, at 3, and Exhibit 3b. Based on the fact that total industry production data for the domestic like product for 2007 is not reasonably available, and that Petitioners have established that shipments are a reasonable proxy for production data, we have relied upon shipment data for purposes of measuring industry support. For further discussion, *see* Korea Initiation Checklist and PRC Initiation

Checklist at Attachment II (Industry Support).

The Department's review of the data provided in the Petition, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. First, the Petition establishes support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling). *See* section 732(c)(4)(D) of the Act and Korea Initiation Checklist and PRC Initiation Checklist at Attachment II (Industry Support). Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product. *See* Korea Initiation Checklist and PRC Initiation Checklist at Attachment II (Industry Support). Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition. Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. *See* Korea Initiation Checklist and PRC Initiation Checklist at Attachment II (Industry Support).

The Department finds that Petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and 771(9)(D) of the Act and have demonstrated sufficient industry support with respect to the antidumping investigation that they are requesting the Department initiate. *See* Korea Initiation Checklist and PRC Initiation Checklist at Attachment II (Industry Support).

Allegations and Evidence of Material Injury and Causation

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 imports of the subject merchandise sold at less than normal value (''NV''). Petitioners contend that the industry's injured condition is illustrated by reduced market share, underselling and price depressing and suppressing effects, lost sales and revenues, a decline in financial performance, and an increase in import penetration. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See* Korea Initiation Checklist and PRC Initiation Checklist at Attachment III.

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value (''LTFV'') upon which the Department based its decision to initiate these investigations of imports of welded line pipe from Korea and the PRC. The sources of data for the deductions and adjustments relating to the U.S. price, NV (for Korea), and the factors of production (for the PRC) are also discussed in the country-specific initiation checklists. *See* Korea Initiation Checklist and PRC Initiation Checklist. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we will reexamine the information and revise the margin calculations, if appropriate.

Korea

Constructed Export Price (''CEP'')

Petitioners calculated two CEPs based on price quotes for Korean-produced welded line pipe that was sold or offered for sale in the United States during the POI. Petitioners claimed that CEP was appropriate for Korea because the major Korean producers of welded line pipe typically sell through affiliated offices in the United States which, in turn, resell the welded line pipe to distributors in the United States. *See* Petition, Volume IV, at Exhibit IV–1. Petitioners made adjustments to the starting price for foreign inland freight, ocean freight, marine insurance expenses, foreign and U.S. port expenses, and estimated expenses that the affiliated distributor would incur in selling merchandise on behalf of the Korean producer in the United States. Foreign inland freight, ocean freight and insurance were calculated as the difference between the value of welded line pipe imports from Korea on a ''cost-insurance-freight'' (''CIF'') basis, and the value of welded line pipe imports from Korea on a custom's value basis as reported on the ITC's ''DataWeb'' at *http://usitc.gov/tata/hts/other/dataweb*. Petitioners calculated foreign and U.S. port expenses based on U.S. and Korean tariff schedule data. *See* Petition, Volume IV, at Exhibits 7, 7a, and 7b. *See* Korea Initiation Checklist for further discussion.

NV

Petitioners calculated NV based on home market prices for welded line pipe produced in Korea and sold or offered for sale to customers in Korea. Petitioners calculated the ex-factory NV for the home market sales by converting the reported offer prices to a per-ton basis. *See* Petition, Volume IV, at 9–12, and Korea Initiation Checklist for further discussion.

PRC

EP

Petitioners calculated two EPs based on two price quotes for welded line pipe from the PRC, offered for sale during the POI. Petitioners made adjustments to the starting prices by deducting the costs associated with exporting and delivering the product, including foreign inland freight and ocean freight, insurance expenses, foreign and U.S. port expenses and wharfage fees, and brokerage and handling expenses. *See* PRC Initiation Checklist for further discussion.

NV

Petitioners note that the PRC is a non-market economy country (''NME'') and, as the Department has not revoked this determination, such status remains in effect today. *See* Petition, Volume II, at 11. The Department has previously examined the PRC's market status and determined that NME status should continue for the PRC. *See* Memorandum from the Office of Policy to David M. Spooner, Assistant Secretary for Import Administration, regarding The People's Republic of China Status as a Non-Market Economy, dated May 15, 2006 (available online at *http://ia.ita.doc.gov/download/prc-nme-status/prc-nme-status-memo.pdf*). In addition, in recent investigations, the Department has continued to determine that the PRC is an NME country. *See Final Determination of Sales at Less Than Fair Value: Sodium Hexametaphosphate from The People's Republic of China*, 73 FR 6479 (February 4, 2008); *Final Determination of Sales at Less Than Fair Value and Partial Affirmative Determination of Critical Circumstances: Certain Polyester Staple Fiber from the People's Republic of China*, 72 FR 19690 (April

19, 2007); *Final Determination of Sales at Less Than Fair Value: Certain Activated Carbon from the People's Republic of China*, 72 FR 9508 (March 2, 2007).

In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of the PRC investigation, all parties will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners argue that India is the appropriate surrogate country for the PRC because it is at a comparable level of economic development and it is a significant producer of welded line pipe. *See* Petition, Volume II, at 12. Based on the information provided by Petitioners, the Department believes that the use of India as a surrogate country is appropriate for purposes of initiation. However, after initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value factors of production within 40 days after the date of publication of the preliminary determination.

Petitioners calculated NV and dumping margins for the two U.S. prices, discussed above, using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. Petitioners calculated NV based on Company A's consumption rates for producing welded line pipe, arguing that it is the best information reasonably available to Petitioners.[1] *See* PRC Initiation Checklist.

Petitioners valued the factors of production to produce welded line pipe based on reasonably available, public surrogate country data, including India import data from the Monthly Statistics of the Foreign Trade of India, and prices from Energy Prices & Taxes: Second Quarter 2003, published by the International Energy Agency. Petitioners calculated labor cost using rates posted on the Department's Web site. Where Petitioners were unable to find input prices from a period contemporaneous with the POI, Petitioners adjusted for inflation using the wholesale price index for India, as published in the International Monetary Fund Publication ''International Financial Statistics.'' *See* Petition, Volume II, at 19 and Exhibit II–8. Petitioners made currency conversions, where necessary, using a simple average of the rupee/U.S. dollar exchange rate for the POI, as reported on the Department's Web site. *See* Petition, Volume II, at 19; Supp. PRC AD Response, at Exhibit Supp-9. While Petitioners calculated movement expenses using information from the Department of Commerce and the ITC, Petitioners did not include freight expenses in their calculation of surrogate values for the PRC because they could not determine the correct distance necessary for the calculations. *See* Petition, Volume II, at 19–20; Supp. PRC AD Response, at Exhibit Supp-9. For purposes of initiation, the Department determines that the surrogate values used by Petitioners are reasonably available and, thus, acceptable. However, the Department modified the surrogate value that Petitioners calculated for hot-rolled steel coil. *See* PRC Initiation Checklist.

Petitioners based factory overhead expenses, selling, general and administrative (''SG&A'') expenses, and profit, on financial data from the 2006–2007 annual reports of Tata Steel Limited, Jindal SAW Ltd. (''Jindal''), and Ratnamani Metals & Tubes Ltd., Indian producers of welded steel pipe using steel sheet in coils. *See* Petition, Volume II, at 22–25; Supp. PRC AD Response at Exhibit Supp-9. We recalculated factory overhead expenses, SG&A expenses, and profit using only Jindal's data because of the three potential surrogate companies, only Jindal's financial data were from a period that overlapped with the POI. In addition, we revised the financial ratios that Petitioners calculated from Jindal's data to account for expenses that were omitted from Petitioner's calculation. *See* PRC Initiation Checklist.

Fair Value Comparisons

Based on the data provided by Petitioners, with adjustments as requested by the Department, there is reason to believe that imports of welded line pipe from Korea and the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on a comparison of CEP and NV, calculated in accordance with sections 772(b) and 773(a)(1) of the Act, respectively, estimated dumping margins for welded line pipe from Korea range from 41.69 percent to 42.75 percent. *See* Korea Initiation Checklist. Based on a comparison of EP and NV, calculated in accordance with sections 772(a) and 773(c) of the Act, respectively, the revised estimated dumping margins for welded line pipe from the PRC range from 57.45 percent to 58.96 percent. *See* PRC Initiation Checklist.

Initiation of Antidumping Investigations

Based upon the examination of the Petition on welded line pipe from Korea and the PRC, the Department finds that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of welded line pipe from Korea and the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act, unless postponed, we intend to make our preliminary determinations no later than 140 days after the date of this initiation.

Respondent Selection for Korea

For the Korean investigation, the Department intends to select respondents based on U.S. Customs and Border Protection (''CBP'') data for U.S. imports during the POI. We intend to release the CBP data under Administrative Protective Order (''APO'') to all parties with access to information protected by APO within five days of publication of this **Federal Register** notice, and make our decision regarding respondent selection within 20 days of publication of this notice. The Department invites comments regarding the CBP data and respondent selection within 10 days of publication of this **Federal Register** notice.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's Web site at *http://ia.ita.doc.gov/apo*.

Respondent Selection for the PRC

In the PRC investigation, the Department will request quantity and value information from all known exporters and producers identified, with complete contact information, in the Petition. The quantity and value data received from these exporters/producers will be used as the basis to select the mandatory respondents. The

[1] The identity of Company A is proprietary information; further discussion of Company A is available in the initiation checklist. *See* PRC Initiation Checklist.

Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. *See Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation*, 73 FR 10221, 10225 (February 26, 2008); and *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China*, 70 FR 21996, 21999 (April 28, 2005). Attachment I of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters/producers no later than May 14, 2008. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the Import Administration Web site, at *http://ia.ita.doc.gov/ia-highlights-and-news.html*. The Department will send the quantity and value questionnaire to those PRC companies identified, with complete contact information, in the Petition, Volume I, at Exhibit 6a, and in the Supp. PRC AD Response, at Supp-1.

Separate Rates

In order to obtain separate-rate status in NME investigations, exporters and producers must submit a separate-rate status application. *See* Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries (April 5, 2005) (''Separate Rates/Combination Rates Bulletin''), available on the Department's Web site at *http://ia.ita.doc.gov/policy/bull05-1.pdf*. The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, available on the Department's Web site at *http://ia.ita.doc.gov/ia-highlights-and-news.html* on the date of publication of this initiation notice in the **Federal Register**. The separate-rate application will be due 60 days from publication of this notice.

Use of Combination Rates in an NME Investigation

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

> {w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of ''combination rates'' because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.

See Separate Rates/Combination Rates Bulletin, at 6.

Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petition have been provided to the representatives of the Governments of Korea and the PRC. Because of the particularly large number of producers/exporters identified in the Petition, the Department considers the service of the public version of the Petition to the foreign producers/exporters satisfied by the delivery of the public version to the Governments of Korea and the PRC, consistent with 19 CFR 351.203(c)(2).

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 International Trade Commission

The ITC will preliminarily determine, no later than May 19, 2008, whether there is a reasonable indication that imports of welded line pipe from Korea and the PRC are materially injuring, or threatening material injury to, a U.S. industry. A negative ITC determination with respect to either of the investigations will result in that investigation being terminated; otherwise, these investigations will proceed according to statutory and regulatory time limits.

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

Dated: April 23, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

Attachment I

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

In the chart below, please provide the total quantity and total value of all of your sales of merchandise covered by the scope of this investigation (see attachment II of this document), produced in the PRC, and exported/shipped to the United States during the period October 1, 2007 through March 31, 2008.

Market	Total quantity	Terms of sale	Total value
United States			
1. Export Price Sales.			
2. a. Exporter name. b. Address. c. Contact. d. Phone No. e. Fax No.			
3. Constructed Export Price Sales.			

Market	Total quantity	Terms of sale	Total value
4. Further Manufactured Sales.			
Total Sales.			

Because the scope of this investigation may include certain merchandise potentially subject to the on-going antidumping and countervailing duty investigations of circular welded pipe, we also request that you identify, in the chart below, the total quantity and total value that was reported in the above chart for sales of the following merchandise:

Pipe multiple-stenciled to a standard and/or structural specification and to any other specification, such as the American Petroleum Institute (''API'') API–5L specification, when it meets the physical description set forth in the scope description in the circular welded pipe cases (*see Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Notice of Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 73 FR 2445 (January 15, 2008)) and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted surface finish; or has a threaded and/or coupled end finish.

Market	Total quantity	Terms of sale	Total value
United States			
1. Export Price Sales.			
2. a. Exporter name. b. Address. c. Contact. d. Phone No. e. Fax No.			
3. Constructed Export Price Sales.			
4. Further Manufactured Sales.			
Total Sales.			

Total Quantity:

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

Terms of Sales:

• Please report all sales on the same terms (*e.g.*, free on board—port of export).

Total Value:

• All sales values should be reported in U.S. dollars. Please indicate any exchange rates used and their respective dates and sources.

Export Price Sales:

• Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated person occurs before importation into the United States.

• Please include any sales exported by your company directly to the United States.

• Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.

• If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.

• Please do not include any sales of merchandise manufactured in Hong Kong in your figures.

Constructed Export Price Sales:

• Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated person occurs after importation. However, if the first sale to the unaffiliated person is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation.

• Please include any sales exported by your company directly to the United States.

• Please include any sales exported by your company to a third-country market economy reseller where you had knowledge that the merchandise was destined to be resold to the United States.

• If you are a producer of subject merchandise, please include any sales manufactured by your company that were subsequently exported by an affiliated exporter to the United States.

• Please do not include any sales of merchandise manufactured in Hong Kong in your figures.

Further Manufactured Sales:

• Sales of further manufactured or assembled (including re-packaged) merchandise are sales of merchandise that undergoes further manufacture or assembly in the United States before being sold to the first unaffiliated customer.

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

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