

be assessed on all (1) unliquidated entries of carbon and certain alloy steel wire rod from Mexico, Moldova, Trinidad and Tobago, and Ukraine entered, or withdrawn from warehouse, for consumption on or after April 10, 2002, and before October 7, 2002, and from Brazil on or after April 15, 2002, and before October 12, 2002; and (2) merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of these antidumping duty orders in the **Federal Register**. The Department terminated the suspension of liquidation, pursuant to section 733(d)(3) of the Act on October 7, 2002, for Mexico, Moldova, Trinidad & Tobago, and Ukraine, and on October 12, 2002, for Brazil. Entries of carbon and certain alloy steel wire rod made between October 12, 2002, for Brazil and between October 7, 2002, for Mexico, Moldova, Trinidad and Tobago, and Ukraine and the day preceding the date of publication of this notice in the **Federal Register**, are not liable for the assessment of antidumping duties. Regarding the negative critical circumstances determination, we will instruct the Customs service to lift suspension and to release any bond or other security, and refund any cash deposit made, to secure the payment of antidumping duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption on or after January 10, 2002, but before April 10, 2002. January 10, 2002, is 90 days prior to April 10, 2002, the date of publication of the preliminary determinations in the **Federal Register**. The Department suspended liquidation of entries of carbon and certain alloy steel wire rod from Indonesia on August 30, 2002, the **Federal Register** publication date of the final affirmative antidumping duty determination.

On or after the date of publication of this notice in the **Federal Register**, Customs must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the estimated weighted-average antidumping duty margins as noted below. In the case of Brazil, we will adjust the deposit requirements to account for any export subsidies found in the amended final determination in the companion countervailing duty investigation. The "all others," "Moldova-wide," and "Ukraine-wide" rates apply to all exporters of subject merchandise not specifically listed. The weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-Average Margin
<i>Brazil.</i>	
Companhia Siderúrgica Belgo Mineira and Belgo-Mineira Participação Indústria e Comércio S.A. (BMP)	94.73%
All Others .....	74.35%
<i>Indonesia.</i>	
P.T. Ispat Indo .....	4.06%
All Others .....	4.06%
<i>Mexico.</i>	
Siderurgica Lazaro Cardenas Las Truchas, S.A. de C.V. (SICARTSA) .....	20.11%
All Others .....	20.11%
<i>Moldova.</i>	
Moldova-wide rate .....	369.10%
<i>Trinidad and Tobago.</i>	
Caribbean Ispat Ltd .....	11.40%
All Others .....	11.40%
<i>Ukraine.</i>	
Krivorozhstal State Metallurgical Works .....	116.37%
Ukraine-wide rate .....	116.37%

This notice constitutes the antidumping duty orders with respect to carbon and certain alloy steel wire rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine pursuant to section 736(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room B-099 of the Main Commerce Building, for copies of an updated list of antidumping duty orders currently in effect.

These orders are issued and published in accordance with section 736(a) of Act and 19 CFR 351.211.

Dated: October 21, 2002.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 02-27513 Filed 10-28-02; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-122-845, A-122-847]

#### Notice of Initiation of Antidumping Duty Investigations: Certain Durum Wheat and Hard Red Spring Wheat From Canada

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

**ACTION:** Initiation of antidumping duty investigations.

**EFFECTIVE DATE:** October 29, 2002.

**FOR FURTHER INFORMATION CONTACT:** Jarrod Goldfeder at (202) 482-0189 or

Judith Wey Rudman at (202) 482-0192, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

#### Initiation of Investigations

##### *The Applicable Statute and Regulations*

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department's") regulations are references to the provisions codified at 19 CFR part 351 (2002).

##### *The Petitions*

On September 13, 2002, the Department received petitions filed in proper form by the North Dakota Wheat Commission (hard red spring wheat), the Durum Growers Trade Action Committee (durum wheat), and the U.S. Durum Growers Association (durum wheat) (collectively, "the petitioners").<sup>1</sup> The Department received petition supplements from September 24 through October 21, 2002.

In accordance with section 732(b)(1) of the Act, the petitioners allege that imports of durum wheat and hard red spring wheat from Canada 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 the petitioners filed these petitions on behalf of the respective domestic industries because they are interested parties as defined in section 771(9)(E) and (F) of the Act, and they have demonstrated sufficient industry support with respect to each of the antidumping investigations that they are requesting the Department to initiate. See *infra*, "Determination of Industry Support for the Petitions."

<sup>1</sup> In the September 13, 2002 petitions, the petitioners identified the North Dakota Wheat Commission as a petitioner for both the durum wheat and hard red spring wheat petitions. However, in a petition supplement dated September 24, 2002, the petitioners informed the Department that, with respect to the petition on durum wheat, the petitioners were replacing the North Dakota Wheat Commission with the Durum Growers Trade Action Committee.

### Scope of Investigations

For purposes of these investigations, the products covered are (1) durum wheat and (2) hard red spring wheat.

#### 1. Durum Wheat

Imports covered by this investigation are all varieties of durum wheat from Canada. This includes, but is not limited to, a variety commonly referred to as Canada Western Amber Durum. The merchandise subject to this investigation is currently classifiable under the following Harmonized Tariff Schedule of the United States ("HTSUS") subheadings: 1001.10.00.10, 1001.10.00.91, 1001.10.00.92, 1001.10.00.95, 1001.10.00.96, and 1001.10.00.99. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

#### 2. Hard Red Spring Wheat

Imports covered by this investigation are all varieties of hard red spring wheat from Canada. This includes, but is not limited to, varieties commonly referred to as Canada Western Red Spring, Canada Western Extra Strong, and Canada Prairie Spring Red. The merchandise subject to this investigation is currently classifiable under the following HTSUS subheadings: 1001.90.10.00, 1001.90.20.05, 1001.90.20.11, 1001.90.20.12, 1001.90.20.13, 1001.90.20.14, 1001.90.20.16, 1001.90.20.19, 1001.90.20.21, 1001.90.20.22, 1001.90.20.23, 1001.90.20.24, 1001.90.20.26, 1001.90.20.29, 1001.90.20.35, and 1001.90.20.96. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

As discussed in the preamble to the Department's regulations (*see Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for parties to raise issues regarding product coverage. The Department encourages all parties to submit such comments within 20 days of publication of this notice. Parties should submit any comments on the file of each (durum wheat and hard red spring wheat) investigation. Comments should be addressed to Import Administration's Central Records Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department

with ample opportunity to consider all comments and consult with parties prior to the issuance of our preliminary determinations.

#### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that the Department's industry support determination, which is to be made before the initiation of an investigation, be based on whether a minimum percentage of the relevant industry supports the petition. A petition meets this requirement if the domestic producers or workers who support the petition account for: (1) At least 25 percent of the total production of the domestic like product; and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall either poll the industry or rely on other information in order to determine if there is support for the petition.

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, to determine whether the petition has the requisite industry support, the Act directs the Department to look to producers and workers who account for production of 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 domestic like product, such differences do not render the decision of either agency contrary to the law.<sup>2</sup>

<sup>2</sup> 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 Therefore from Japan: Final

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.

The domestic like products referred to in these petitions are the domestic like products defined in the *Scope of Investigations* section, above. Based upon our review of the petitioners' claims, we have accepted the petitioners' definitions of the domestic like products. For further discussion, *see* the October 23, 2002, Memorandum from the Team to Richard W. Moreland, "Domestic Like Product and Industry Support" ("*Like Product/Industry Support Memo*"), which is on file in the Central Records Unit ("CRU"), Room B-099 of the main Department of Commerce building.

On October 3, 2002, the Department extended the deadline for the initiation determinations to no later than October 23, 2002, in order to establish whether the petitions are supported by the respective domestic industries, pursuant to section 732(c)(1)(B) of the Act. *See* October 3, 2002, Memorandum to Faryar Shirzad from Richard W. Moreland, "Extension of Deadline for Determining Industry Support." The Department has determined that, pursuant to section 732(c)(4)(A) of the Act, the petitions contain adequate evidence of industry support. *See* the October 23, 2002, Import Administration AD/CVD Enforcement Initiation Checklist ("*Initiation Checklist*") and the *Like Product/Industry Support Memo*, both of which are on file in the CRU.

We determine that the petitioners have demonstrated industry support representing over 50 percent of total production of the domestic like products. Therefore, the domestic producers or workers who support the petitions account for at least 25 percent of the total production of the domestic like products, and the requirements of section 732(c)(4)(A)(i) of the Act are met. The Department received no opposition to the petitions.

Accordingly, we determine that these petitions are filed on behalf of the respective domestic industries within the meaning of section 732(b)(1) of the Act.

Determination; Rescission of Investigation and Partial Dismissal of Petition, 56 FR 32376, 32380-81 (July 16, 1991).

### *Export Price ("EP") and Normal Value ("NV")*

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

#### *Export Price*

For export price ("EP") comparisons to home market prices and third country prices, the petitioners based EP on monthly average unit values ("AUVs") of durum wheat and hard red spring wheat derived from official U.S. import data for the period July 1, 2001 through June 30, 2002. We adjusted the petitioners' calculations of EP for comparisons to CV to include the entire period July 2001 through June 2002. We further adjusted the calculation of EP for hard red spring wheat to correct for certain errors in the petitioners' calculations.

For EP comparisons to home market prices, the petitioners based EP on AUVs for Canadian western amber durum wheat with vitreous kernel content greater than 84 percent (HTSUS 1001.10.00.91) for durum wheat, and AUVs for #1 red spring wheat with a protein content of greater than 13.9 percent but less than or equal to 14.2 percent (HTSUS 1001.90.20.16) for hard red spring wheat. For EP comparisons to third country prices, the petitioners based EP on AUVs for Canadian western amber durum wheat with vitreous kernel content greater than 84 percent (HTSUS 1001.10.00.91) for durum wheat, and AUVs for Canadian western red spring wheat with a protein level greater than 14.2 percent (HTSUS 1001.90.20.10) for hard red spring wheat. For EP comparisons to CV, the petitioners included in their calculation of EP AUVs for all of the HTSUS categories included in the scope listed above.<sup>3</sup> The petitioners made no adjustments to EP. For further discussion, see *Initiation Checklist*.

#### *Normal Value*

Section 773(a)(1)(C)(iii) of the Act provides that the Department will use

<sup>3</sup> The petitioners excluded seed wheats from the U.S. price calculation. These wheats are classified by the HTSUS subheadings: 1001.90.10.00 and 1001.10.00.10. In addition they excluded a broader HTSUS category which includes other non-hard red spring wheats (i.e., 1001.90.20.96).

third-country prices for purposes of calculating NV if "the particular market situation in the exporting country does not permit a proper comparison with the export price or constructed export price." The petitioners assert that the markets for durum wheat and hard red spring wheat in Canada constitute a "particular market situation" within the meaning of section 773(a)(1)(C)(iii) and, therefore, prices in the home market are inappropriate for purposes of calculating NV. The petitioners cite to the Statement of Administrative Action which states that, while "particular market situation" is not defined, the Department may be satisfied that one exists "where \* \* \* there is government control over pricing to such an extent that home market prices cannot be considered to be competitively set." SAA at 822.

The petitioners contend that, as a monopoly seller, the CWB conducts a nonmarket operation. In support of its argument, the petitioners cite to the ITC's Section 332 Investigation report which stated that "all wheat destined for either domestic human consumption or for export must be marketed by or through the CWB." (See *Wheat Trading Practices: Competitive Conditions Between U.S. and Canadian Wheat*, Investigation No. 332-429, USITC Publication No. 3465 at 3-1 (Dec. 2001) ("*ITC Report*").) The petitioners further cite to the statement by the ITC that "although the CWB states that it is a 'commercial entity,' it is immune from the usual commercial threats to a corporation's survival." (See *ITC Report* at Chapter 3, pp. 13-16). According to the ITC's findings, "the Board is in all significant respects an arm of the Government of Canada, with government approval and backing of its borrowing and other financing, which reduces its costs and insulates it from the commercial risks faced by large and small U.S. grain traders." (See *ITC Report* at Chapter 3, pp. 13-16) The petitioners assert that the ITC has found that the CWB is a government-backed entity with powers conferred upon it by the Canadian Government under the Canadian Wheat Board Act.

In further support of its claim that the CWB operates as a monopoly, the petitioners cite to the findings of the U.S. Trade Representative ("USTR") in its 301 investigation. In that investigation, USTR stated that "the Government of Canada grants the Canadian Wheat Board (CWB) special monopoly rights and privileges which disadvantage U.S. wheat farmers and undermine the integrity of the trading system." See *USTR Affirmative Finding in Response to North Dakota Wheat*

*Commission Petition ("USTR Report")*, (February 15, 2002) at 2. Like the ITC, USTR also found that the CWB is "insulated from commercial risks because the Canadian government guarantees its financial operations, including its borrowing, credit sales to foreign buyers and initial payments to farmers." See *USTR Report* at 2.

According to the petitioners, because the CWB operates as a monopoly in the Canadian market without effective competition from imports, the CWB administratively sets prices for durum wheat and hard red spring wheat in Canada, rendering the home market inappropriate for purposes of determining an actual market price. In short, as the only seller in Canada, the CWB operates in Canada free from any competition from domestic sellers. The Canadian Government restricts imports of durum wheat and red spring wheat into Canada, thereby exercising complete control over the Canadian market and insulating the CWB from foreign competition as well.

Finally, the petitioners cite to prior cases in which the Department has used third-country sales as the basis for normal value due to a particular market situation. (See *Initiation of Antidumping Duty Investigations: Spring Table Grapes from Chile and Mexico*, 66 FR 26831, 26834 (May 15, 2001) and *Notice of Final Determination of Sales at Less Than Fair Value: Fresh Atlantic Salmon from Chile* 63 FR 31411 (June 9, 1998)). The petitioners assert that, in making its particular market situation determination in those cases, the Department relied on factors, some of which are also present in this case, such as: the home market industry is export oriented, the home market is incidental to the Canadian wheat industry, and domestically-sold wheat has perfunctory marketing and distribution.

Based on the above, we have determined information reasonably available to the petitioners indicates the existence of a particular market situation which renders price comparisons between home market and U.S. prices inappropriate for purposes of determining whether to initiate the antidumping investigations on durum wheat and hard red spring wheat. In the course of these investigations, the Department will examine further the issue of particular market situation and, if necessary, the proper comparison market to be examined in each investigation.

While asserting the existence of a particular market situation which renders price comparisons between home market and U.S. prices

inappropriate, the petitioners have, as a possible alternative, provided EP to home market price comparisons.

#### *Price-to-Price Comparisons Based on Home Market Prices*

For durum wheat, the petitioners based NV on average monthly domestic prices of the CWB's sales of #1 milling grade Canadian western amber durum. For hard red spring wheat, the petitioners based NV on average monthly domestic prices of the CWB's sales of milling grade #1 Canadian western red spring, 14 percent protein. These prices were derived from a publicly available source on the internet. The home market prices were then converted from Canadian dollars to U.S. dollars and compared to U.S. AUVs.

Based on EP to home market price comparisons, the petitioners calculated dumping margins for durum wheat ranging from 3.2 to 23.2 percent, with a weighted-average margin of 13.3 percent. The petitioners calculated dumping margins for hard red spring wheat ranging from 0 to 25.6 percent, with a weighted-average margin of 7.6 percent.

#### *Price-to-Price Comparisons Based on Third Country Prices*

The petitioners calculated NV based on AUVs of Japanese imports of the subject merchandise from Canada. The AUVs were obtained from the Japanese Customs Agency's Web site, <http://www.customs.go.jp>. Since the AUVs reported by the Japanese Customs Agency were reported in yen per metric ton, the petitioners converted the prices from yen to U.S. dollars by applying the average POI exchange rate found at <http://ia.ita.doc.gov/exchange/Japan.txt>. After converting the Japanese prices to U.S. dollars per metric ton, the petitioners subtracted amounts for insurance and freight. Freight rates were obtained from the USDA's *Grain Transportation Prospects* and from discussions with an official at the USDA. A quote for insurance rates was obtained from an insurance company, Marsh, Inc. The net Japanese AUVs were then compared to U.S. AUVs.

Based on EP to third country price comparisons, the petitioners calculated dumping margins for durum wheat ranging from 26.5 to 48.2 percent, with a weighted-average margin of 40.2 percent. The petitioners calculated dumping margins for hard red spring wheat ranging from 18.2 to 86.6 percent, with a weighted-average margin of 44.8 percent.

#### *Price-to-CV Comparisons*

Pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, the petitioners also based NV on CV. In accordance with section 773(e) of the Act, the petitioners calculated CV as the cost of manufacture ("COM"), selling, general and administrative ("SG&A") expenses and profit. To calculate COM, the petitioners based direct expenses and depreciation expenses on publicly available data.

##### 1. Durum Wheat

We revised the petitioners' calculation of COM for Alberta by applying yields that were from the same public source as the production expenses for that province. For Saskatchewan, we revised the COM by applying calculated, weighted-average yields by soil type based on additional, publicly available information. To calculate SG&A, the petitioners relied upon amounts reported in the CWB's 2001 annual report. Consistent with 773(e)(2) of the Act, the petitioners included in CV an amount for profit. For profit, the petitioners relied upon publicly available data.

Comparing EP to the adjusted CV, we found no additional evidence to support the petitioners' claim that durum wheat from Canada is being dumped in the United States.

##### 2. Hard Red Spring Wheat

To calculate COM, the petitioners based direct expenses and depreciation expenses on publicly available data. We revised the petitioners' calculation of COM for Alberta by applying yields that were from the same public source as the production expenses for that province. For Saskatchewan, we revised COM by applying calculated, weighted-average yields by soil type based on additional, publicly available information. To calculate SG&A, the petitioners relied upon amounts reported in the CWB's 2001 annual report. Consistent with 773(e)(2) of the Act, the petitioners included in CV an amount for profit. For profit, the petitioners relied upon publicly available data.

Based on a comparison of EP to the adjusted CV, we calculated a margin of 13.26 percent for hard red spring wheat.

#### *Fair Value Comparisons*

Based on the data provided by the petitioners, there is reason to believe that imports of durum wheat and hard red spring wheat from Canada are being, or are likely to be, sold at less than fair value.

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

The petitioners allege that the U.S. industries producing the domestic like products are being materially injured, or are threatened with material injury, by reason of the imports of the subject merchandise sold at less than NV. The petitioners contend that each industry's injured condition is evident in the declining trends in domestic prices, production volume and value, market share, income and wages, net sales volume and value, and, for durum wheat, the increasing U.S. inventory levels. The petitioners further allege threat of injury due to increased import volumes and import penetration, because of excess production capacity in Canada, and because inventory levels in Canada exceed its demand for wheat. The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, reports from the ITC and United States Department of Agriculture, statistics compiled by the Canadian Wheat Board and *Statistics Canada*, as well as independent academic and economic studies.

We have assessed the allegations and supporting evidence regarding material injury and causation, and we have determined that these allegations are properly supported by accurate and adequate evidence and meet the statutory requirements for initiation (*see Initiation Checklist*).

#### *Initiation of Antidumping Investigations*

Based upon our examination of the petitions on durum wheat and hard red spring wheat from Canada, we have found that they meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of durum wheat and hard red spring wheat from Canada are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended pursuant to section 733(c)(1) of the Act, we will make our preliminary determinations no later than 140 days after the date of this initiation.

#### *Distribution of Copies of the Petitions*

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of each petition has been provided to the representatives of the Government of Canada. We will attempt to provide a copy of the public version of each petition to each exporter named in the petitions, as provided for under 19 CFR 351.203(c)(2).

*ITC Notification*

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

*Preliminary Determinations by the ITC*

The ITC will determine no later than November 18, 2002, whether there is a reasonable indication that imports of durum and hard red spring wheat from Canada are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination will result in the investigations being terminated; otherwise, these investigations will proceed according to statutory and regulatory time limits.

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

Dated: October 23, 2002.

**Faryar Shirzad,**

*Assistant Secretary for Import Administration.*

[FR Doc. 02-27514 Filed 10-28-02; 8:45 am]

BILLING CODE 3510-DS-P

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

[C-122-846 and C-122-848]

**Notice of Initiation of Countervailing Duty Investigations: Durum Wheat and Hard Red Spring Wheat From Canada**

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

**ACTION:** Initiation of countervailing duty investigations.

**SUMMARY:** The Department of Commerce is initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters of durum wheat and hard red spring wheat from Canada receive countervailable subsidies.

**EFFECTIVE DATE:** October 29, 2002.

**FOR FURTHER INFORMATION CONTACT:**

Craig W. Matney, AD/CVD Enforcement, Group I, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-1778.

**Initiation of Investigations***The Applicable Statute and Regulations*

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the

Act") by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department") regulations are references to the provisions codified at 19 CFR part 351 (April 2002).

*The Petitions*

On September 13, 2002, the Department received petitions filed in proper form by the North Dakota Wheat Commission (hard red spring wheat), Durum Growers Trade Action Committee (durum wheat), and the U.S. Durum Growers Association (durum wheat) (collectively, "the petitioners").<sup>1</sup> The Department received petition supplements from September 24 through October 21, 2002.

In accordance with section 702(b)(1) of the Act, the petitioners allege that manufacturers, producers, or exporters of durum wheat and hard red spring wheat, the subject merchandise, from Canada receive countervailable subsidies within the meaning of section 701 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

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

*Scope of Investigations*

For purposes of these investigations, the products covered are (1) durum wheat and (2) hard red spring wheat.

## 1. Durum Wheat

Imports covered by this investigation are all varieties of durum wheat from Canada. This includes, but is not limited to, a variety commonly referred to as Canada Western Amber Durum. The merchandise subject to this investigation is typically classified in the following Harmonized Tariff Schedule of the United States ("HTSUS") subheadings: 1001.10.00.10,

<sup>1</sup> In the September 13, 2002 petitions, the petitioners identified the North Dakota Wheat Commission as a petitioner for both the durum wheat and hard red spring wheat petitions. However, in a petition supplement dated September 24, 2002, the petitioners informed the Department that, with respect to the petition on durum wheat, the petitioners were replacing the North Dakota Wheat Commission with the Durum Growers Trade Action Committee.

1001.10.00.91, 1001.10.00.92, 1001.10.00.95, 1001.10.00.96, and 1001.10.00.99.

## 2. Hard Red Spring Wheat

Imports covered by this investigation are all varieties of hard red spring wheat from Canada. This includes, but is not limited to, varieties commonly referred to as Canada Western Red Spring, Canada Western Extra Strong, and Canada Prairie Spring Red. The merchandise subject to this investigation is typically classified in the following HTSUS subheadings:

1001.90.10.00, 1001.90.20.05, 1001.90.20.11, 1001.90.20.12, 1001.90.20.13, 1001.90.20.14, 1001.90.20.16, 1001.90.20.19, 1001.90.20.21, 1001.90.20.22, 1001.90.20.23, 1001.90.20.24, 1001.90.20.26, 1001.90.20.29, 1001.90.20.35, and 1001.90.20.96.

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

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

*Consultations*

Pursuant to section 702(b)(4)(A)(ii) of the Act, the Department invited representatives of the Government of Canada ("GOC") for consultations with respect to the petitions filed in these proceedings. The Department held consultations with the GOC on October 1, 2002. The points raised in the consultations are cited in the Memorandum to the File, "CVD Consultations with Officials from the Government of Canada," dated October 2, 2001, which is on file in the Department's Central Records Unit,