matters the premature disclosure of which would be likely to significantly frustrate implementation of an agency action as described in 5 U.S.C. 552b(c)(9)(B), and the portion of the meeting dealing with matters that are (A) specifically authorized under criteria established by an Executive Order to be kept secret in the interests of national defense or foreign policy and (B) in fact properly classified pursuant to such Executive Order (5 U.S.C. 552b(c)(1)(A) and (1)(B)), shall be exempt from the provisions relating to public meetings found in 5 U.S.C. app. 2 10(a)(1) and 10(a)(3). All other portions of the DEAC meeting will be open to the public.

For more information, please call Yvette Springer at (202) 482–2813.

Dated: July 10, 2007.

**Yvette Springer,**

*Committee Liaison Officer.*

[FR Doc. 07–3452 Filed 7–13–07; 8:45 am]

**BILLING CODE 3510–JT–M**

## DEPARTMENT OF COMMERCE

### International Trade Administration

**[A–570–912]**
**[C–570–913]**

### Extension of the Deadline for Determining the Adequacy of the Antidumping Duty and Countervailing Duty Petitions: New Pneumatic Off–The-Road Tires from The People's Republic of China

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

**EFFECTIVE DATE:** July 16, 2007.

**FOR FURTHER INFORMATION CONTACT:** Laurel LaCivita or Charles Riggle, AD/CVD Operations, Office 8 (antidumping); or Mark Hoadley or Thomas Gilgunn, AD/CVD Operations, Office 6 (countervailing), Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–4243, (202) 482–0650, (202) 482–3148, and (202) 482–4236, respectively.

**SUPPLEMENTARY INFORMATION:**

## BACKGROUND

### The Petitions

On June 18, 2007, the Department of Commerce (''Department'') received antidumping duty and countervailing duty petitions (''petitions'') filed in proper form by Titan Tire Corporation, a subsidiary of Titan International, Inc. (''Titan''), and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL–CIO-CLC (''USW'') (collectively, ''Petitioners''), on behalf of the domestic industry producing new pneumatic off–the-road tires (''OTR tires'').

### Determination of Industry Support for the Petitions

Sections 702(b)(1) and 732(b)(1) of the Tariff Act of 1930, as amended (''Act'') require that antidumping and countervailing duty petitions be filed by or on behalf of the domestic industry. Sections 702(c)(4)(A) and 732(c)(4)(A) of the Act provide that the Department's industry support determination 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: (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, sections 702(c)(4)(D) and 732(c)(4)(D) of the Act provide 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) if there is a large number of producers, determine industry support using a statistically valid sampling method to poll the industry.

### Extension of Time

Sections 702(c)(1)(A)(ii) and 732(c)(1)(A)(ii) of the Act provide that within 20 days of the filing of antidumping and countervailing duty petitions, the Department will determine, inter alia, whether the petitions have been filed by or on behalf of the U.S. industry producing the domestic like product. Sections 702(c)(1)(B) and 732(c)(1)(B) of the Act provide that the deadline for the initiation determination can be extended by 20 days in any case in which the Department must ''poll or otherwise determine support for the petition by the industry . . . .'' Because it is not clear from the petitions whether the industry support criteria have been met, we have determined to extend the time limit for initiating the investigations in order to poll the domestic industry. We intend to issue polling questionnaires to all known domestic producers of OTR tires identified in the petitions. The questionnaires will be on file in the Central Records Unit in room B–099 of the main Department of Commerce building. The questionnaire requests each company to respond to the questions and fax its response to the Department.

We will need additional time to analyze the domestic producers' responses to our request for information. See the ''Determination of Industry Support for the Petitions'' section of this notice, above. Therefore, in accordance with sections 702(c)(1)(B) and 732(c)(1)(B) of the Act, we are extending the deadline for determining the adequacy of the petitions until July 28, 2007, which is 40 days from the filing date of the petitions. Because July 28, 2007, falls on a Saturday, the initiation determination will be due no later than Monday, July 30, 2007, the first business day following the statutory deadline.

### International Trade Commission Notification

Because the Department has extended the deadline for the initiation determinations, the Department has contacted the International Trade Commission (''ITC'') and has made this extension notice available to the ITC.

Dated: July 6, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E7–13719 Filed 7–13–07; 8:45 am]

**BILLING CODE 3510–DS–S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

**[A–570–909, A–520–802]**

### Certain Steel Nails from the People's Republic of China and the United Arab Emirates:Initiation of Antidumping Duty Investigations

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

**EFFECTIVE DATE:** July 16, 2007.

**FOR FURTHER INFORMATION CONTACT:** Nicole Bankhead (People's Republic of China) or David Goldberger (United Arab Emirates), AD/CVD Operations, Offices 9 and 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202)

482–9068 or (202) 482–4136, respectively.

**SUPPLEMENTARY INFORMATION:**

## The Petitions

On May 29, 2007, the Department of Commerce (the Department) received petitions concerning imports of certain steel nails from the People's Republic of China (PRC) (PRC petition) and the United Arab Emirates (UAE) (UAE petition) filed in proper form by Mid Continent Nail Corporation, Davis Wire Corporation, Gerdau Ameristeel Corporation (Atlas Steel & Wire Division), Maze Nails (Division of W.H. Maze Company), Treasure Coast Fasteners, Inc., and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (collectively, petitioners). *See* the Petitions on Certain Steel Nails from the People's Republic of China and the United Arab Emirates filed on May 29, 2007, and the petitioners' submission dated June 22, 2007. On June 1 and June 18, 2007, the Department issued requests for additional information and clarification of certain areas of the petitions. Based on the Department's requests, the petitioners filed additional information on June 1, June 7 (three distinct submissions on General, PRC–only, and UAE–only material), and June 20, 2007. The period of investigation (POI) for the UAE is April 1, 2006, through March 31, 2007. The POI for the PRC is October 1, 2006, through March 31, 2007. *See* 19 CFR 351.204(b).

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of certain steel nails from the PRC and the UAE 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 domestic industry because the petitioners are interested parties as defined in section 771(9)(C) and (D) of the Act, and have demonstrated sufficient industry support with respect to the antidumping duty investigations that the petitioners are requesting that the Department initiate (*see* ''Determination of Industry Support for the Petitions'' section below).

## Scope of Investigations

The merchandise covered by each of these investigations includes certain steel nails having a shaft length up to 12 inches. Certain steel nails include, but are not limited to, nails made of round wire and nails that are cut. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and have a variety of finishes, heads, shanks, point types, shaft lengths and shaft diameters. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, whether by electroplating or hot–dipping one or more times), phosphate cement, and paint. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted shank styles. Screw–threaded nails subject to these proceedings are driven using direct force and not by turning the fastener using a tool that engages with the head. Point styles include, but are not limited to, diamond, blunt, needle, chisel and no point. Finished nails may be sold in bulk, or they may be collated into strips or coils using materials such as plastic, paper, or wire.

Certain steel nails subject to these proceedings are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.55, 7317.00.65 and 7317.00.75.

Excluded from the scope of these proceedings are roofing nails of all lengths and diameter, whether collated or in bulk, and whether or not galvanized. Steel roofing nails are specifically enumerated and identified in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails. Also excluded from the scope of these proceedings are corrugated nails. A corrugated nail is made of a small strip of corrugated steel with sharp points on one side. Also excluded from the scope of these proceedings are fasteners suitable for use in powder–actuated hand tools, not threaded and threaded, which are currently classified under HTSUS 7317.00.20 and 7317.00.30. Also excluded from the scope of these proceedings are thumb tacks, which are currently classified under HTSUS 7317.00.10.00.

While the 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 petitions, we discussed the scope with the petitioners to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. 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 within 20 calendar days of signature of this notice. Comments should be addressed to Import Administration's Central Records Unit (CRU), 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 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 certain steel nails to be reported in response to the Department's antidumping questionnaires. For example, we are considering whether physical characteristics such as steel grade, shaft length, finish type, head style, shank style, and point style are relevant. 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 1) as general product characteristics and 2) as 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 certain steel nails, 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 model 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 July 30, 2007. Additionally, rebuttal comments must be received by August 9, 2007.

**Determination of Industry Support for the Petitions**

Section 732(b)(1) of the Act requires that a petition be filed by or on behalf of the domestic industry. In order to determine whether a petition has been filed by or on behalf of the domestic industry, the Department, pursuant to section 732(c)(4)(A) of the Act, determines 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: (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 any statistically valid sampling method.

Section 771(4)(A) of the Act defines the ''industry'' as the producers of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether ''the domestic industry'' has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to 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 Algoma Steel Corp. Ltd. v. United States, 688 F. Supp. 639, 642–44 (CIT 1988); see also High Information Content Flat Panel Displays and Display Glass Therefor From Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380–81 (July 16, 1991).

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, the petitioners do not offer a definition of domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted in the petitions, we have determined there is a single domestic like product, certain steel nails, which is defined further in the ''Scope of the Investigations'' section above, and we have analyzed industry support in terms of that domestic like product. *See PRC Initiation Checklist* at Attachment II and *UAE Initiation Checklist* at Attachment II.

Based on information provided in the petitions, the share of total estimated U.S. production of the domestic like product in calendar year 2006 represented by the petitioners did not account for more than 50 percent of the total production of the domestic like product. Therefore, in accordance with section 732(c)(4)(D) of the Act, we polled the industry.

On June 1, 2007, we issued polling questionnaires to all known domestic producers of certain steel nails identified in the petitions and by the Department's research. On June 6, 2007, we issued a polling questionnaire to an additional producer whose identity we learned from the ITC. The questionnaires are on file in the CRU in room B–099 of the main Department of Commerce building. We requested that each company complete the polling questionnaire and certify its response by faxing its response to the Department by the due date. For a detailed discussion of the responses received, *see PRC Initiation Checklist* at Attachment II and *UAE Initiation Checklist* at Attachment II.

Section 732(c)(4)(B) of the Act states that (i) the Department ''shall disregard the position of domestic producers who oppose the petition if such producers are related to foreign producers, as defined in section 771(4)(B)(ii), unless such domestic producers demonstrate that their interests as domestic producers would be adversely affected by the imposition of an antidumping duty order'' and (ii) the Department ''may disregard the position of domestic producers of a domestic like product who are importers of the subject merchandise.'' In addition, 19 CFR 351.203(e)(4) states that the position of a domestic producer that opposes the petition (i) will be disregarded if such producer is related to a foreign producer or to a foreign exporter under section 771(4)(B)(ii) of the Act, unless such domestic producer demonstrates to the Secretary's satisfaction that its interests as a domestic producer would be adversely affected by the imposition of an antidumping order, and (ii) may be disregarded if the producer is an importer of the subject merchandise or is related to such an importer under section 771(4)(B)(ii) of the Act.

Certain producers of the domestic like product that opposed the petition against the PRC are related to foreign producers and/or imported subject merchandise from the PRC. We have analyzed the information provided by these producers in their polling questionnaire responses and information provided in other submissions to the Department (*see* the petitioners' June 18, 2007, submission and Illinois Tool Works Inc.'s June 25, 2007, submission). Based on our analysis, we have determined that it would be appropriate to disregard the position of any of the opposing producers under section 732(c)(4)(B) of the Act. When the position of any of these producers is disregarded, the petitioners satisfy the statutory industry support requirements of section 732(c)(4)(A) of the Act. *See PRC Initiation Checklist* at Attachment II and *UAE Initiation Checklist* at Attachment II.

With regard to the PRC petition, the data collected demonstrate that the domestic producers of certain steel nails who support the PRC petition account for at least 25 percent of the total production of the domestic like product and, once the opposition of certain producers is disregarded, 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 PRC

petition. *See PRC Initiation Checklist* at Attachment II.

Our analysis of the data collected with regard to the UAE petition indicates that the domestic producers of certain steel nails who support the UAE petition account for at least 25 percent of the total production of the domestic like product and 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 UAE petition. *See UAE Initiation Checklist* at Attachment II. We note that certain U.S. producers oppose the petition against the UAE; however, despite such opposition, the petitioners still 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 UAE petition. As a result, we need not examine whether the U.S. producers that opposed the petition against the UAE are related to, or import from, producers of the subject merchandise in the UAE.

Therefore, the Department determines that the petitioners filed these petitions on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C) and (D) of the Act and they have demonstrated sufficient industry support with respect to the antidumping investigations that they are requesting the Department initiate. *See PRC Initiation Checklist* at Attachment II and *UAE Initiation Checklist* at Attachment II.

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

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). The petitioners contend that the industry's injured condition is illustrated by reduced market share, lost sales, reduced production, reduced capacity and capacity utilization rate, reduced shipments, underselling and price depression or suppression, lost revenue, reduced employment, decline in financial performance, and an increase in import penetration. We have assessed the allegations and supporting evidence regarding 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 PRC Initiation Checklist* at Attachment III (Injury) and *UAE Initiation Checklist* at Attachment III (Injury).

**Allegations of Sales at Less Than Fair Value**

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate these investigations of imports of certain steel nails from the PRC and the UAE. The sources of data for the deductions and adjustments relating to the U.S. price, constructed value (CV) (for the UAE), and the factors of production (for the PRC) are also discussed in the country–specific initiation checklists. *See PRC Initiation Checklist* and *UAE 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.

**UAE**

**Export Price (EP)**

The petitioners calculated two EPs using price offers for UAE–produced steel nails obtained from customer contacts. The petitioners made adjustments for the importer's markup, U.S. inland freight, ocean freight, marine insurance, U.S. port fees, and foreign inland freight. The petitioners derived the importer profit margin from published financial statement data of a trading company that imports nails into the United States. The petitioners estimated U.S. inland freight based on their knowledge and experience in shipping steel nails within the United States. They calculated ocean freight and marine insurance based on the difference between the average per–unit customs value and the average per–unit CIF value reported in U.S. import statistics for the HTSUS category corresponding to the price data at the likely U.S. port of entry. U.S. port fees were based on standard U.S. government percentages, as applied to the petitioners' estimate of entered value. Finally, the petitioners calculated foreign inland freight based on a UAE freight quote obtained through market research. *See UAE Initiation Checklist*.

**NV Based on CV**

With respect to NV, the petitioners provided information that the UAE home market is not viable. According to the petitioners, the UAE steel nail industry is geared almost exclusively to exports. *See*, *e.g.*, Volume III of the UAE petition at 9 and Exhibit UAE 5. Through market research, the petitioners learned that the type of wood–frame construction used predominantly in North America makes the United States a desirable market for exports, while other types of specialty fasteners are more prevalent in the UAE home market. See Supplement to the UAE petition, dated June 1, 2007.

Further, the petitioners provided information that no third–country market for the UAE's principal exporter of the merchandise, Dubai Wire, is viable. Based on available export data from the UAE, the petitioners state that Germany is the next largest country to which subject merchandise was exported, and that the volume of merchandise exported to Germany was 1.01 percent of the volume exported to the United States. *See* Volume III of the UAE petition at 9 and Exhibit UAE 5, and Supplement to the UAE petition, dated June 1, 2007. As this is less than the 5–percent threshold provided for in section 773(a)(1)(B)(ii)(II) of the Act, Germany is not a viable third–country market. Accordingly, the petitioners based NV on CV.

Pursuant to section 773(e) of the Act, CV consists of the cost of manufacture (COM); selling, general and administrative (SG&A) expenses; financial expenses; packing expenses; and profit. In calculating COM and packing, the petitioners based the quantity of each of the inputs used to manufacture and pack steel nails on the production experience of two U.S. steel nail producers during the prospective POI, and multiplied it by the value of inputs used to manufacture steel nails in the UAE using either publicly available data or data obtained from a market research study. *See* Volume III of the UAE petition at 10–14, the June 7, 2007, supplement to the UAE petition at Exhibit UAE Supp–12 and the June 20, 2007, supplement to the UAE petition at 3–5 and Exhibits UAE Supp2–12A, Supp2–12B and Supp2–20.

Raw material (*i.e.*, steel wire rod) is the most significant input used in the production of steel nails. The petitioners determined the usage of steel wire rod based on the quantities used by two U.S. manufacturers to produce a metric ton of steel nails. The value of steel wire rod was based on price data obtained through market research. The price data from the market research study were contemporaneous with the POI. The values for other inputs and packing (*i.e.*, scrap, stearic acid, polypropylene, and vinyl resins) were based on statistics from the World Trade Atlas for the period of July 2005 to August 2006. *See* Volume III of the UAE petition at 10–11 and Exhibits UAE 13–14, the June 1, 2007, supplement to the UAE petition at Exhibit 1, and the June 7, 2007, supplement to the UAE petition at Exhibit UAE Supp–12.

The petitioners determined labor costs using the labor inputs derived from the experience of two U.S. steel nail producers and valued these inputs using UAE labor costs obtained from a market research study. Based on the study, the petitioners calculated an hourly rate using an average of four industrial sources in the UAE. For the value of indirect labor, the petitioners calculated an hourly rate using an average of two industrial sources in the UAE for accountants, engineers, managers, supervisors, and general managers. *See* Volume III of the UAE petition at 11 and Exhibit UAE 8, the June 1, 2007, supplement to the UAE petition at Exhibit 1, and the June 7, 2007, supplement to the UAE petition at Exhibit UAE Supp–12.

To calculate energy, factory overhead, and SG&A expenses, the petitioners relied on the financial statements of a steel fabricating company in the UAE, Arab Heavy Industries (AHI), for the fiscal year ending December 31, 2006, the period most contemporaneous with the POI. The petitioners stated that the surrogate financial statements did not separately itemize other operating expenses (*i.e.*, energy, SG&A); therefore, to avoid double–counting energy expenses in the calculation of CV it was necessary to use a combined ratio for energy, factory overhead, and SG&A expenses. Specifically, the petitioners calculated the total of depreciation, other operating expenses, and other income from AHI's financial statements as a percentage of materials and labor from AHI's financial statements. This ratio was then applied to the materials (excluding packing) and labor costs calculated as discussed above. The petitioners believe this is a conservative calculation of the energy, factory overhead, and SG&A expenses as they have included all other income from AHI's financial statements. Additionally, based on AHI's financial statements, they believe packing expenses were included in the denominator of the energy, factory overhead, and SG&A ratio calculation, but not in the materials and labor figure to which they applied it (packing expenses were added after this calculation), thus potentially understating CV. *See* the June 20, 2007, supplement to the UAE petition at 3–5 and Exhibits UAE Supp2–12A, Supp2–12B and Supp2–20.

To calculate the average financial expense and profit rates, the petitioners relied on the financial statements of the same UAE steel fabricator, AHI. The petitioners note that based on the surrogate financial statements, the financial expense ratio was zero. *See* the June 20, 2007, supplement to the UAE petition at 3–5 and Exhibits UAE Supp2–12A, Supp2–12B and Supp2–20.

**PRC**

**EP**

The petitioners relied on three U.S. prices for certain steel nails manufactured in the PRC and offered for sale in the United States. The prices quoted were for three different types of steel nails falling within the scope of the PRC petition, for delivery to the U.S. customer within the POI. The petitioners deducted from the prices the costs associated with exporting and delivering the product, including U.S. inland freight, ocean freight and insurance charges, U.S. duty, port and wharfage fees, foreign inland freight costs, and foreign brokerage and handling. *See PRC Initiation Checklist*. The petitioners based the importer profit margin and U.S. inland freight on their knowledge and experience. The petitioners used the Department's standard all–distance freight rate for foreign inland freight. They calculated ocean freight and marine insurance based on the difference between the average per–unit customs value and the average per–unit CIF value reported in U.S. import statistics for the HTSUS category corresponding to the price data at the likely U.S. port of entry. U.S. port fees were based on standard percentages of U.S. government fees. The petitioners estimated foreign brokerage and handling based on Indian surrogate value data applied in another Department proceeding. *See* Volume II of the PRC petition at 1–15, and Exhibits PRC 1A, 1B, 2A, 2B, 3A, 3B, 6A - 10F, and the June 7, 2007, PRC–only submission at 15–18, and Exhibit 10.

**PRC NV**

The petitioners stated that the PRC remains a non–market economy (NME) country and no determination to the contrary has yet been made by the Department. Recently, the Department 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 (This document is available online at http://ia.ita.doc.gov/download /prc–nme-status/prc–nme-status–memo.pdf.) In addition, in two recent investigations, the Department also determined that the PRC is an NME country. *See 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) and *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). 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 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 this 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.

The petitioners selected India as the surrogate country arguing that, pursuant to section 773(c)(4) of the Act, India is an appropriate surrogate because it is a market economy country that is at a level of economic development comparable to that of the PRC and is a significant producer and exporter of certain steel nails. *See* Volume II of the PRC petition at 16–20. Based on the information provided by the petitioners, we believe that the use of India as a surrogate country is appropriate for purposes of initiation. After the initiation of the investigation, we will solicit comments regarding surrogate country selection.

The petitioners provided dumping margin calculations using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. However, because information regarding the factors of production consumed by Chinese producers is not available to the petitioners, the petitioners calculated NVs for each U.S. price discussed above based on consumption rates for producing certain steel nails as experienced by U.S. producers. *See* Volume II of the PRC petition at 19–20. The petitioners used U.S. producer consumption figures for 2006, stating that such information provides as contemporaneous a time period as possible with the POI and is reasonably available to the petitioners. *See id*. With the exception of labor, the petitioners state that U.S. input consumption quantities reflect efficient production methods and they provide a conservative estimate of the factors of production used by the Chinese. *See id*.

For labor, the petitioners adjusted the number of labor hours per unit of output to account for a known difference between the U.S. and Chinese production processes. Specifically, the petitioners stated that the production of subject merchandise is more labor intensive in the PRC than in the United States, requiring significantly more labor to produce the same amount of finished product. The petitioners provide affidavits to support this labor adjustment. *See* Volume II of the PRC petition at 20, Exhibits PRC 11A - 11C, and the June 7, 2007, PRC–only supplement to the PRC petition at 4 and Exhibit PRC 11. Accordingly, we found the petitioners use of the production data to be reasonable.

For the NV calculations, the petitioners were unable to obtain surrogate value figures contemporaneous with the POI for all material inputs, and accordingly relied upon the most recent information available. The sources of these data include the published national market prices for carbon steel commodities by Joint Plant Committee of India and the World Trade Atlas compilation of Indian import statistics, which provided data through September 2006 at the time the petition was filed. *See* Volume II of the PRC petition at Exhibits PRC 14A and PRC 15. Where an input price reflected a period preceding the POI, the petitioners adjusted it for inflation using the wholesale price index for India reported by the Reserve Bank of India. *See* Volume II of the PRC petition at Exhibit PRC 13. For fuel-, energy-, and lubricant–related inputs, the petitioners used the energy–specific inflators published by the International Monetary Fund. *See id*. The petitioners excluded those values from countries previously determined by the Department to be NME countries and imports into India from Indonesia, the Republic of Korea and Thailand, because the Department has previously excluded prices from these countries because they maintain broadly available, non–industry-specific export subsidies, as well as imports from unspecified countries. *See Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results of Administrative Review and Final Results of New Shipper Review*, 72 FR 27287 (May 15, 2007), and accompanying Issues and Decision Memorandum at Comment 23. The surrogate values used by the petitioners for the material and packing inputs consist of information reasonably available to the petitioners and are, therefore, acceptable for purposes of initiation.

With respect to the surrogate financial expenses, the petitioners relied on the factory overhead, SG&A expenses and profitability of an Indian steel fastener producer, Lakshmi Precision Screws Ltd. (''LPS''), taken from the company's most recently available annual report that is closest to the POI. *See* Volume II of the PRC petition at Exhibit PRC 20. The petitioners claim that LPS is a modern producer using state of the art equipment and is India's only publicly traded producer of steel fasteners. The petitioners stated that they were unable to find public financial statements from other Indian nail producers; therefore, the petitioners argue, LPS provides the best information reasonably available as a surrogate for the production of certain steel nails in the PRC. We find that the petitioners' use of LPS as the source for the surrogate financial expenses is appropriate for purposes of initiation. The Department made minor modifications to the surrogate financial ratios calculated by the petitioners. As a result, the calculations for the three NVs and the resulting margin calculations changed slightly. *See PRC Initiation Checklist* at Attachment V.

**Fair Value Comparisons**

Based on the data provided by the petitioners, there is reason to believe that imports of certain steel nails from the PRC and the UAE are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to CV, calculated in accordance with section 773(a)(4) of the Act, the estimated dumping margins for certain steel nails from the UAE are 70.77 and 71.50 percent. Based on comparisons of EP to NV, calculated in accordance with section 773(c) of the Act, the estimated dumping margins for certain steel nails from the PRC are 55.19, 97.15 and 118.04 percent.

**Initiation of Antidumping Investigations**

Based upon the examination of the petitions on certain steel nails from the PRC and the UAE, the Department finds that the petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of certain steel nails from the PRC and the UAE 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 will make our preliminary determinations no later than 140 days after the date of this initiation.

**Separate Rates and Quantity and Value Questionnaire**

The Department recently modified the process by which exporters and producers may obtain separate–rate status in NME investigations. *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 and Combination Rates Bulletin*), available on the Department's website at http://ia.ita.doc.gov/policy/bull05–1.pdf. The process requires the submission of a separate–rate status application. Based on our experience in processing the separate–rate applications in the following antidumping duty investigations, we have modified the application for this investigation to make it more administrable and easier for applicants to complete. *See Initiation of Antidumping Duty Investigations: Certain Lined Paper Products From India, Indonesia, and the People's Republic of China*, 70 FR 58374, 58379 (October 6, 2005), *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China*, 70 FR 21996, 21999 (April 28, 2005), and *Initiation of Antidumping Duty Investigations: Diamond Sawblades and Parts Thereof from the People's Republic of China and the Republic of Korea*, 70 FR 35625, 35629 (June 21, 2005). The specific requirements for submitting the separate–rate application in this investigation are outlined in detail in the application itself, which will be available on the Department's website 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 is due no later than September 7, 2007.

**NME Respondent Selection and Quantity and Value Questionnaire**

For NME investigations, it is the Department's practice to request quantity and value information from all known exporters identified in the PRC petition. Although many NME exporters respond to the quantity and value information request, at times some exporters may not have received the quantity and value questionnaire or may not have received it in time to respond by the specified deadline. Therefore, the Department typically requests the assistance of the NME government in transmitting the Department's quantity and value questionnaire to all companies that manufacture and export subject merchandise to the United

States, as well as to manufacturers that produce the subject merchandise for companies that were engaged in exporting subject merchandise to the United States during the POI. The quantity and value data received from NME exporters is used as the basis to select the mandatory respondents.

The 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. Appendix I of this notice contains the quantity and value questionnaire that must be submitted by all NME exporters no later than July 30, 2007. In addition, the Department will post the quantity and value questionnaire along with the filing instructions on the IA website at http://ia.ita.doc.gov/ia–highlights-and–news.html. The Department will send the quantity and value questionnaire to those companies identified in Exhibit I–5 of Volume I of the PRC petition and those identified by the NME government.

**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 the PRC investigation. The *Separate Rates and 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 and Combination Rates Bulletin*, at 6.

**Distribution of Copies of the Petitions**

In accordance with section 732(b)(3)(A) of the Act, copies of the public versions of the petitions have been provided to the representatives of the Governments of the PRC and the UAE. We will attempt to provide a copy of the public version of the petitions to the foreign producers/exporters, 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 July 30, 2007, whether there is a reasonable indication that imports of certain steel nails from the PRC and the UAE 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: July 9, 2007.

**David M. Spooner,**

*Assistant Secretaryfor Import Administration.*

**Appendix – 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 your sales of merchandise covered by the scope of this investigation (see scope section of this notice), produced in the PRC, and exported/shipped to the United States during the period October 1, 2006, through March 31, 2007.

| 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 | | | |
| 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).

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:

- 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.

[FR Doc. E7–13721 Filed 7–13–07; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

### Trade Mission Statement

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

**ACTION:** Notice.

**Mission Statement**

Renewable Energy and Alternative Fuels Mission to Europe. September 10–19, 2007.

**Mission Description**

The United States Department of Commerce, International Trade Administration, U.S. and Foreign Commercial Service will organize a Renewable Energy and Alternative Fuels Trade Mission to Germany, Hungary, the Slovak Republic, the Czech Republic and Poland, September 10–19, 2007. This event offers a timely and cost-effective means for U.S. firms to enter promising markets for renewable energies equipment, technology and services. Target sectors holding high potential for U.S. exporters include biomass, biofuels, waste-to-energy, hydropower, wind, geothermal, solar and clean coal. During the Munich, Germany stop, the program will include a country briefing, a European Union-wide perspective on renewable energy, a reception for business and government contacts hosted by the U.S. Consulate, and one-on-one appointments with prospective business contacts. Each of the stops in Central Europe will include a country briefing, reception for business and government contacts hosted by the U.S. Ambassador or other high-ranking embassy official, one-on-one appointments with prospective business contacts, and high-level meetings with government officials and business leaders.

**Commercial Setting**

*Germany:* The German economy is the world's third largest and, after the expansion of the EU, accounts for nearly one-fifth of European Union GDP. Germany is the United States' largest European trading partner and is the sixth largest market for U.S. exports. German business and consumer confidence is increasing rapidly as Germany continues to build upon last year's 2.7 percent increase in GDP. Germany is once again becoming Europe's economic engine with an expected GDP growth rate this year of approximately 2.3–2.8 percent. Since EU accession 2004, Hungary, the Slovak Republic and Czech Republic and Poland have experienced robust rates of economic growth, dramatically increased inflows of foreign direct investment and enhanced access to EU development funds. The need to reduce dependence on non-EU sources and the ambitious target set by the EU for renewables to comprise 20% of general energy consumption by 2020 are driving a significant demand for new equipment, technology and services. These developments have created robust business opportunities for U.S. firms operating within these sectors. Germany's power plant capacity is currently roughly 11,000 MW, which is unlikely to increase as new power plants under construction or being planned will only replace older, existing plants. However, Germany's energy supply is still based mainly on fossil resources. The finiteness of these resources and negative effects on the environment necessitate increased development of renewable energies to ensure future energy supply. Due to rising prices of fossil products, and to environmental protection measures mandated by Germany's federal government and the EU, the use of regenerative energy in Germany has increased considerably in recent years and is expected to increase further, creating areas of opportunities for companies offering technology and know-how for this market segment. Germany's energy industry is one of the largest investors in the country with 80 billion euros ($106.5 billion USD) to be invested in networks and power plants by the end of 2020. However, as the world's sixth largest producer of $CO_2$ emissions, Germany is trying to slash its output of greenhouse gases and is planning to have renewable energy sources supply a quarter of its energy needs by 2020. Currently, renewable energy sources supply 12% of Germany's energy, primarily from wind, water, biomass and photovoltaics. By 2010, experts predict an increase in sales for the whole renewable energy sector of 45 billion euros ($60 billion USD) with an export share of 16 billion euros ($21.3 billion USD).

*Hungary:* Hungary relies heavily on oil and gas from Russia, together with one nuclear plant, for most of its energy needs. Future diversity is key, and renewable sources are a priority. With power demand increasing 2% yearly, Hungary needs another 6,300 MW of capacity over 10–15 years. The renewable portion is expected to reach 600 MW by 2020, from 170 MW now. U.S. know-how can help Hungary meet its goals.

*Slovak Republic:* In 2005, nuclear plants provided almost 60% of the