certifications are provided at the end of the *Interim Final Rule.* The Department intends to reject factual submissions in any proceeding segments initiated on or after March 14, 2011 if the submitting party does not comply with the revised certification requirements.

These initiations and this notice are in accordance with section 751(a) of the Act (19 U.S.C. 1765(a)), and 19 CFR 351.221(c)(1)(i).

April 19, 2011.

Gary Taverman,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–975, A–201–840]

Galvanized Steel Wire From the People's Republic of China and Mexico: Initiation of Antidumping Duty Investigations

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

DATES: *Effective Date:* April 27, 2011.

FOR FURTHER INFORMATION CONTACT: Catherine Bertrand at (202) 482–3207 (the People's Republic of China (the "PRC")), AD/CVD Operations, Office 9; or Angelica Mendoza at (202) 482–3019 (Mexico), AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On March 31, 2011, the Department of Commerce (the "Department") received petitions concerning imports of galvanized steel wire from the PRC and Mexico filed in proper form on behalf of Davis Wire Corporation ("Davis Wire"), Johnstown Wire Technologies, Inc., Mid-South Wire Company, Inc., National Standard, LLC, and Oklahoma Steel & Wire Company, Inc., (collectively, "Petitioners"). *See* Petitions for the Imposition of Antidumping Duties on Galvanized Steel Wire from Mexico and Antidumping and Countervailing Duties on Galvanized Steel Wire from the People's Republic of China filed on March 31, 2011 (the "Petitions"). On April 6, 2011, the Department issued a request for additional information and clarification of certain areas of the Petitions. Petitioners filed a response to this request on April 11, 2011 (hereinafter, "Supplement to the PRC Petition," "Supplement to the Mexico Petition," and "Supplement to the AD/CVD Petitions," respectively). Based on a conversation with Department officials, Petitioners filed a further response on April 14, 2011 (hereinafter, "Second Supplement to the AD/CVD Petitions"). In addition they provided the Department with an additional required certification on April 15, 2011. *See* Certification Letter filed April 15, 2011.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the "Act"), Petitioners allege that imports of galvanized steel wire from the PRC and Mexico 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 Petitions on behalf of the domestic industry because Petitioners are interested parties as defined in section 771(9)(C) 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 Petitions" section below).

Period of Investigation

The period of investigation ("POI") for the investigation involving the PRC is July 1, 2010, through December 31, 2010. The POI for the investigation involving Mexico is January 1, 2010, through December 31, 2010. *See* 19 CFR 351.204(b)(1).

Scope of Investigations

The product covered by these investigations is galvanized steel wire from the PRC and Mexico. For a full description of the scope of the investigations, please *see* the "Scope of the Investigations," in Appendix I of this notice.

Comments on Scope of Investigations

During our review of the Petitions, 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. Moreover, as discussed in the preamble to the Department's 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 10, 2011, twenty calendar days from the signature date of this notice. All comments must be filed on the records of the PRC and Mexico antidumping duty investigations as well as the PRC countervailing duty investigation. Comments should be addressed to Import Administration's APO/Dockets 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 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 galvanized steel wire to be reported in response to the Department's antidumping 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 galvanized steel wire, 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 10, 2011. Additionally, rebuttal comments must be received by May 17, 2011.

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 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 to poll the "industry."

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 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 (*see* 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 (Ct. Int'l Trade 2001), citing *Algoma Steel Corp., Ltd.* v. *United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 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 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).

With regard to the domestic like product, 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 on the record, we have determined that galvanized steel wire 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: Galvanized Steel Wire from the PRC ("PRC Initiation Checklist") at Attachment II, and Antidumping Duty Investigation Initiation Checklist: Galvanized Steel Wire from Mexico ("Mexico Initiation Checklist") at Attachment II, dated concurrently with this notice and on file in the Central Records Unit ("CRU"), Room 7046 of the main Department of Commerce building.

In determining whether Petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the "Scope of the Investigations," in Appendix I of this notice. To establish industry support, Petitioners provided their own 2010 production of the domestic like product, and compared this to the estimated total production of the domestic like product for the entire domestic industry. *See* Volume I of the Petitions, at I–3 through I–5 and Exhibits I–1 through I–5, Supplement to the AD/CVD Petitions, at 1, 7, and Exhibit (Supp-I)–7, and Second Supplement to the AD/CVD Petitions, at (Second Supp)–2, Exhibit (Second Supp)–2, and Second Revised Exhibit I–1; *see also* PRC Initiation Checklist at Attachment II and Mexico Initiation Checklist at Attachment II.

On April 14, 2011, we received an industry support challenge from a Mexican producer of galvanized steel wire and its U.S. affiliate. *See* Letter from Deacero, titled "Galvanized Steel Wire from Mexico—Comments on Industry Support," dated April 14, 2011.[1] Petitioner responded to this submission on April 18, 2011. *See* Letter from Petitioners, titled "Petitioners' Response to Question about U.S. industry," dated April 18, 2011. Our review of the data provided in the Petitions, supplemental submissions, and other information readily available to the Department indicates that Petitioners have established industry support. *See* PRC Initiation Checklist at Attachment II and Mexico Initiation Checklist at Attachment II. First, the Petitions established 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; *see also* PRC Initiation Checklist at Attachment II and Mexico Initiation Checklist at Attachment II. 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 Petitions account for at least 25 percent of the total production of the domestic like product. *See* PRC Initiation Checklist at Attachment II and Mexico Initiation Checklist at Attachment II. 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 Petitions 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 Petitions. Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. *See id.*

The Department finds that Petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the antidumping duty investigations that they are requesting the Department initiate. *See id.*

[1] On April 18, 2011, the Department placed Deacero's filing on the records of the AD and CVD petitions concerning the PRC. *See* Memorandum to the File from Norbert Gannon, Office of Policy, entitled, Petitions for the Imposition of Antidumping Duties on Imports of Galvanized Steel Wire from the People's Republic of China (the PRC) and Mexico and Countervailing Duties on Imports of Galvanized Steel Wire from the PRC—Deacero S.A. de C.V.'s April 14, 2011, Letter to the Department of Commerce.

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"). In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act. Petitioners contend that the industry's injured condition is illustrated by reduced market share, lost sales and revenues, reduced production, reduced shipments, reduced capacity utilization rate, underselling and price depression and suppression, reduced workforce, 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* PRC Initiation Checklist at Attachment III and Mexico 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 upon which the Department based its decision to initiate these investigations of imports of galvanized steel wire from the PRC and Mexico. The sources of data for the deductions and adjustments relating to the U.S. price, the factors of production ("FOPs") (for the PRC) and cost of production ("COP") (for Mexico) are also discussed in the country-specific initiation checklists. *See* PRC Initiation Checklist at 6–10 and Mexico Initiation Checklist at 6–10.

Export Price

The PRC

For the PRC, Petitioners calculated export price ("EP") based on offers for sale of galvanized steel wire by certain Chinese exporters/resellers and declarations of lost U.S. sales by U.S. producers during the POI, as identified in two Declarations Regarding Lost U.S. Sales and four Declarations Regarding U.S. Sales Offers provided by Petitioners. *See* PRC Initiation Checklist at 6; *see also* Volume III of the Petitions at Exhibit III–5. Petitioners substantiated the U.S. price quotes with affidavits. *See* Supplement to the PRC Petition at Exhibit (Supp-III)–5. Based on stated sales and delivery terms, Petitioners deducted adjustments, charges and expenses associated with exporting and delivering to the U.S. customer, including brokerage and handling, ocean freight and insurance, U.S. duties and U.S. inland freight charges, and distributor mark-up, where appropriate. *See* PRC Initiation Checklist at 6; *see also* Volume III of the Petitions at III–5, Exhibit III–5 and Exhibit III–6, and Supplement to the PRC Petition at (Supp-III)–11 and Exhibit (Supp-III)–6. Petitioners made no other adjustments. *See* PRC Initiation Checklist for additional details.

Mexico

For Mexico, Petitioners based U.S. EP on offers of sale for major types of galvanized steel wire for delivery to U.S. customers during the POI. *See* Mexico Initiation Checklist at 7; *see also* Volume II of the Petitions at II–6 and Exhibits II–5 and II–6. The prices were listed on multiple declarations which were made by a senior marketing executive at Davis Wire. In each offer, the Davis Wire representative discussed certain prices for galvanized steel wire with these customers regarding potential sales. *See* Volume II of the Petitions at Exhibit II–5. In certain instances, the customer sourced galvanized steel wire from Davis Wire, but only after Davis Wire matched the price quote from the Mexican producer. In other instances, rather than source galvanized steel wire from Davis Wire, the customers decided to purchase galvanized steel wire imported from Mexico at prices listed on each declaration, which Petitioners used as the basis for U.S. price. *See* Supplement to the Mexico Petition at Exhibit (Supp-II)–5. Based on the stated sales and delivery terms, Petitioners then adjusted the U.S. prices to account for expenses associated with exporting and delivering the product to these specific U.S. customers (*i.e.,* ocean freight and insurance, U.S. duties and U.S. inland freight charges, and distributor mark-up, where appropriate). *See* Mexico Initiation Checklist at 7; *see also* Volume II of the Petitions at page II–6 and Exhibits II–5 and II–6.

Normal Value

The PRC

Petitioners state that the Department has long treated the PRC as a non-market economy ("NME") country and this designation remains in effect today. *See* Volume III of the Petitions at III–1 through III–2; *see also Drill Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Critical Circumstances,* 76 FR 1966, 1968 (January 11, 2011); *see also Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Critical Circumstances, in Part,* 75 FR 57449, 57452 (September 21, 2010).

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 the PRC investigation. Accordingly, the NV of the product for the PRC investigation is appropriately based on FOPs valued in a surrogate market-economy ("ME") country in accordance with section 773(c) of the Act. In the course of the PRC investigation, all parties, including the public, will have the opportunity to provide relevant information related to the issue of the PRC's NME status and the granting of separate rates to individual exporters.

Petitioners claim that India is an appropriate surrogate country under section 773(c) of the Act because it is an ME country that is at a comparable level of economic development to the PRC and surrogate values data from India are available and reliable. Petitioners believe that India is a significant producer of merchandise under consideration and is a very significant producer of related steel wire products. Petitioners are not aware of significant production of galvanized steel wire among other potential surrogate countries, such as the Philippines, Indonesia, Thailand, Ukraine, and Peru. *See* Volume III of the Petitions at III–2 through III–3 and Exhibit III–1. Based on the information provided by Petitioners, we believe that it is appropriate to use India as a surrogate country for initiation purposes. 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 FOPs within 40 days after the date of publication of the preliminary determination.

Petitioners calculated the NV and dumping margins for the U.S. price, 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 consumption rates experienced by two non-integrated U.S. producers. Petitioners assert that, to the best of Petitioners' knowledge, the

consumption rates of these two U.S. producers are very similar, if not identical, to the consumption of Chinese producers. *See* Volume III of the Petitions at III–3 and Exhibit III–2, and Supplement to the PRC Petition at (Supp-III)–1 through (Supp-III)–2.

Petitioners valued by-product and most FOPs based on reasonably available, public surrogate country data, specifically, Indian import statistics from the Global Trade Atlas ("GTA"). *See* Volume III of the Petitions at III–4 and Exhibit III–3. Petitioners excluded from these import statistics values from countries previously determined by the Department to be NME countries, and from Indonesia, the Republic of Korea and Thailand, as the Department has previously excluded prices from these countries because they maintain broadly available, non-industry-specific export subsidies. Finally, imports that were labeled as originating from an "unspecified" country were excluded from the average value, because the Department could not be certain that they were not from either an NME country or a country with generally available export subsidies.[2] *See* Volume III of the Petitions at III–4 and Exhibit III–3. For valuing other FOPs, Petitioners used sources selected by the Department in recent proceedings involving the PRC. *See* Volume III of the Petitions at III–4, and Exhibit III–3. In addition, Petitioners made Indian Rupee/U.S. dollar ("USD") and Thai Baht/USD currency conversions using average exchange rates for the POI, based on Federal Reserve exchange rates. *See* Volume III of the Petitions at III–4 and Exhibit III–3, and Supplement to the PRC Petition at Exhibit (Supp-III)–3. Petitioners determined labor costs using the labor consumption rates derived from two U.S. Producers. *See* Volume III of the Petitions at Exhibit III–2. Petitioners valued labor costs using the calculated wage rate in a recent review involving steel wire nails from China. *See* Volume III of the Petitions at Exhibit III–3, and Supplement to the PRC Petition at (Supp-III)–6. For purposes of initiation, the Department determines that the surrogate values used by Petitioners are reasonably available and, thus, acceptable for purposes of initiation.

Petitioners determined electricity costs using the electricity consumption rates, in kilowatt hours, derived from two U.S. producers' experience. *See* Volume III of the Petitions at Exhibit III–2. Petitioners valued electricity using the Indian electricity rate reported by the Central Electric Authority of the Government of India, the source used in the fifth administrative review of *Certain Frozen Warmwater Shrimp from the PRC. See* Volume III of the Petitions at Exhibit III–3; *citing Certain Frozen Warmwater Shrimp From the People's Republic of China: Preliminary Results and Preliminary Partial Rescission of the Fifth Antidumping Duty Administrative Review,* 76 FR 8338 (February 14, 2011) ("*Certain Frozen Warmwater Shrimp from the PRC*").

Petitioners determined water costs using the water consumption derived from two U.S. producers' experience. *See* Volume III of the Petitions at Exhibit III–2. Petitioners valued water based on information from the Maharashtra Industrial Development Corporation, the source used in the fifth administrative review of *Certain Frozen Warmwater Shrimp from the PRC. See* Volume III of the Petitions at Exhibit III–3.

Petitioners determined natural gas costs using the natural gas consumption rates derived from two U.S. producers' experience. *See* Volume III of the Petitions at Exhibit III–2. Petitioners valued natural gas costs using the calculation performed by the Department in the fifth administrative review of *Pure Magnesium from the PRC* and converted the Thai Baht[3] value using average exchange rates for the POI, based on Federal Reserve exchange rates. *See* Volume III of the Petitions at III–4 and Exhibit III–3; *citing Pure Magnesium from the People's Republic of China: Final Results of Antidumping Duty Administrative Review,* 73 FR 76336 (December 16, 2008).

Four financial statements were placed on the record for consideration to value factory overhead, selling, general and administrative ("SG&A"), and profit. Petitioners placed the financial statements of Indian producers Usha Martin Limited ("Usha Martin"), Tata Steel ("Tata"), and Sterling Tools Limited ("Sterling") on the record. The Department placed the statement of Indian producer Visakha Wire Ropes Limited ("Visakha") on the record.

The Department has determined not to use Sterling Tools Limited ("Sterling") for valuation of the financial ratios because its raw material input is steel bar and not wire rod. Sterling does not draw wire; therefore, its production process is not similar to that of galvanized steel wire producers because drawing wire rod into wire is a continuous process, whereas steel bar is a cut-to-length product.

Tata and Usha Martin do not match the level of integration of the production experience used for the normal value calculation in the Petition, and benefit from subsidies the Department has previously found to be countervailable.[4] However, they both make wire from wire rod and produce comparable merchandise using a similar production process. We also find that Visakha's production process is similar to the production experience used for the normal value calculation in the Petition in that it is the same level of integration and Visakha draws wire from wire rod. Although, Petitioners argued that the Visakha statement appears to be incomplete the Department notes that it is our practice to only disregard incomplete financial statements as a basis for calculating surrogate financial ratios where the statement is missing key sections, such as sections of the auditor's report, that are vital to our analysis and calculations. *See Wooden Bedroom Furniture from the People's Republic of China: Final Results of the 2004–2005 Semi-Annual New Shipper Reviews,* 71 FR 70739 (December 6, 2006), and accompanying Issues and Decision Memorandum at Comment 2. Here, we find that the Visakha statement appears to contain all of the essential components of an audited financial statement, and Petitioners have not alleged that any specific material information is missing. We recognize the statements of Usha Martin, Tata and Visakha financial statements are not an exact match to the production experience of galvanized steel wire producers. However, after considering all available information on the record, the Department determines that the financial statements of Usha Martin, Tata, and Visakha are sufficiently representative to value the surrogate financial ratios for galvanized steel wire.

Further, the Department has a preference for using multiple financial statements in order to determine surrogate financial ratios for manufacturing overhead, SG&A expenses, and profit where no single source on the record has proven to be entirely representative. *See Certain Oil Country Tubular Goods from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, Affirmative Final*

[2] *See, e.g., Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value,* 73 FR 24552, 24559 (May 5, 2008), unchanged in *Polyethylene Terephthalate Film, Sheet, and Strip from the People's Republic of China: Final Determination of Sales at Less Than Fair Value,* 73 FR 55039 (September 24, 2008) ("*PET Film*").

[3] Petitioners did not place an Indian value for natural gas on the record of this proceeding.

[4] Duty Entitlement Passbook Scheme.

Determination of Critical Circumstances and Final Determination of Targeted Dumping, 75 FR 20335 (April 19, 2010), and accompanying Issues and Decision Memorandum at Comment 13 ("*OCTG Final*"). Accordingly, we are averaging the surrogate financial ratios of Usha Martin, Tata, and Visakha and based on a simple average of these three financial statements, we have revised the margins calculated by Petitioners. *See* PRC Initiation Checklist at Appendix V.

Mexico

Petitioners calculated NV for galvanized steel wire using, initially, information they were able to obtain about home market prices. *See* Mexico Initiation Checklist at 8; *see also* Volume II of the Petitions at II–1 through II–2 and Exhibit II–1; *see also* Supplement to the Mexico Petition at Exhibit (Supp-II)–1. However, because Petitioners demonstrated that there are reasonable grounds to believe that these home market prices were below cost, they based NV on constructed value ("CV") in accordance with section 773(e)(1) of the Act. *See* Volume II of the Petitions at II–4; *see also* the "Normal Value Based on Constructed Value" section of this notice.

Sales-Below-Cost Allegation

Petitioners have provided information demonstrating reasonable grounds to believe or suspect that sales of galvanized steel wire in the Mexican market were made at prices below the fully absorbed COP, within the meaning of section 773(b) of the Act, and requested that the Department conduct a country-wide sales-below-cost investigation. The Statement of Administrative Action ("SAA"), submitted to Congress in connection with the interpretation and application of the Uruguay Round Agreements Act ("URAA"), states that an allegation of sales below COP need not be specific to individual exporters or producers. *See* SAA, H.R. Doc. No. 103–316 at 833 (1994). The SAA, at 833, states that "Commerce will consider allegations of below-cost sales in the aggregate for a foreign country, just as Commerce currently considers allegations of sales at less than fair value on a country-wide basis for purposes of initiating an antidumping investigation."

Further, the SAA provides that section 773(b)(2)(A) of the Act retains the requirement that the Department have "reasonable grounds to believe or suspect" that below-cost sales have occurred before initiating such an investigation. Reasonable grounds exist when an interested party provides specific factual information on costs and prices, observed or constructed, indicating that sales in the foreign market in question are at below-cost prices. *Id.*

Cost of Production

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing ("COM"); SG&A expenses; financial expenses; and packing expenses. Petitioners calculated raw materials, labor, energy, and packing costs based on the average production experience of two U.S. producers of galvanized steel wire adjusted for known differences to manufacture galvanized steel wire in Mexico using publicly available data. *See* Mexico Initiation Checklist at 8–10. For further discussion regarding Petitioners' calculation of raw materials, labor, energy, and packing, *see* the "Normal Value Based on Constructed Value" section of this notice. Petitioners could not find financial statements for a Mexican manufacturer that produced comparable merchandise which did not have a fully integrated manufacturing process, and therefore, reported zero overhead expense in calculating COP and CV. While this is a conservative approach for the initiation, if the Department needs to rely on the Petition rate as facts available during the proceeding, it may be necessary to calculate an overhead cost using some reasonable alternative in calculating COP and CV. To calculate the SG&A and profit, Petitioners relied on the fiscal year 2009 financial statements of a Mexican producer of comparable merchandise. *See* the "Normal Value Based on Constructed Value" section of this notice; *see also* Volume II of the Petitions at II–5 and Exhibit II–3; Second Supplement to the AD/CVD Petitions at (Second SUPP)–3 and Revised Exhibits II–4 and II–6.

Based upon a comparison of the prices of the foreign like product in the home market to the calculated COP of the product, we find reasonable grounds to believe or suspect that sales of the foreign like product were made below the COP, within the meaning of section 773(b)(2)(A)(i) of the Act. Accordingly, the Department is initiating a country-wide cost investigation.

Normal Value Based on Constructed Value

Because Petitioners alleged sales below cost, pursuant to sections 773(a)(4), 773(b) and 773(e) of the Act, they calculated NV based on CV. Petitioners based CV on the average of two U.S. producers' actual consumption of direct materials, direct labor, energy, and general expenses, plus amounts for profit and packing, for several major types of galvanized steel wire. *See* Volume II of the Petitions at II–4 and Exhibit I–2. Believing the consumption experience of domestic U.S. producers to be very similar to consumption in the Mexican galvanized steel wire market, due to the little difference in production processes between Mexican and U.S. galvanized steel wire producers, Petitioners calculated raw materials, labor, energy, and packing costs on that experience. *See* Volume II of the Petitions at II–4 and footnote 8. Petitioners provided Mexican import statistics from the GTA to demonstrate the value of each raw material input for purposes of calculating direct materials. *See* Volume II of the Petitions at Exhibit II–3; *see also* Supplement to the Mexico Petition at Exhibit (Supp-II)–3. Petitioners based cost of labor on expected wages in Mexico as recorded on the Import Administration Web site. *See* Volume II of the Petitions at II–5. As discussed in the "Cost of Production" section of this notice, Petitioners reported zero overhead expense in calculating COP and CV. Petitioners provided financial statements for the year 2009 from Ternium Mexico S.A. de C.V. (Ternium), a Mexican manufacturer of comparable merchandise, for the calculation of SG&A and profit. *See* Volume II of the Petitions at II–5 and Exhibit II–3; *see also* Supplement to the Mexico Petition at (Supp-II)–5 through (Supp-II)–6; Second Supplement to the AD/CVD Petitions at (Second Supp)–3 and Revised Exhibits II–4 and II–6; *see also* Mexico Initiation Checklist.

Fair Value Comparisons

Based on the data provided by Petitioners, there is reason to believe that imports of galvanized steel wire from the PRC and Mexico are being, or are likely to be, sold in the United States at less than fair value. Based on a comparison of EPs and NV calculated in accordance with section 773(c) of the Act, the estimated dumping margins for galvanized steel wire from the PRC, using the Department's revised financial ratios, range from 171 percent to 235 percent. *See* PRC Initiation Checklist at 10 and Appendix V. Based on a comparison of EPs and CV calculated in accordance with section 773(a)(4) of the Act, the estimated dumping margins for galvanized steel wire from Mexico range from 166 percent to 244 percent. *See* Mexico Initiation Checklist at 11; *see also* Second Supplement to the AD/CVD Petitions at Revised Exhibit II–6.

Initiation of Antidumping Investigations

Based upon the examination of the Petitions on galvanized steel wire from the PRC and Mexico, 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 galvanized steel wire from the PRC and Mexico 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 and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of these initiations.

Targeted Dumping Allegations

On December 10, 2008, the Department issued an interim final rule for the purpose of withdrawing 19 CFR 351.414(f) and (g), the regulatory provisions governing the targeted dumping analysis in antidumping duty investigations, and the corresponding regulation governing the deadline for targeted dumping allegations, 19 CFR 351.301(d)(5). *See Withdrawal of the Regulatory Provisions Governing Targeted Dumping in Antidumping Duty Investigations,* 73 FR 74930 (December 10, 2008). The Department stated that "{w}ithdrawal will allow the Department to exercise the discretion intended by the statute and, thereby, develop a practice that will allow interested parties to pursue all statutory avenues of relief in this area." *See id.* at 74931.

In order to accomplish this objective, if any interested party wishes to make a targeted dumping allegation in either of these investigations pursuant to section 777A(d)(1)(B) of the Act, such allegations are due no later than 45 days before the scheduled date of the country-specific preliminary determination.

Respondent Selection

The PRC

After considering the large number of producers and exporters of galvanized steel wire from the PRC identified by Petitioners, and considering the resources that must be utilized by the Department to mail quantity and value questionnaires to all 279 identified producers and exporters—including entering each address in a shipping handler's Web site, researching companies' addresses to ensure correctness, organizing mailings, and following up on potentially undeliverable mailings—the Department has thus determined that we do not have sufficient administrative resources to mail quantity and value questionnaires to all 279 identified producers and exporters. *See* Volume I of the Petitions at Exhibit I–10, and Supplement to the PRC Petition, at Exhibit (Supp–III)–I. Therefore, the Department has determined to limit the number of quantity and value questionnaires it will send out to exporters and producers based on U.S. Customs and Border Protection ("CBP") data for U.S. imports under the Harmonized Tariff Schedule of the United States ("HTSUS") numbers 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540, 7217.20.4550, 7217.20.4560, 7217.20.4570, and 7217.20.4580. These are the same HTSUS numbers used by Petitioners to demonstrate that dumping occurred during the POI, and closely match the subject merchandise. *See* Volume I of the Petitions at Exhibit I–8 and Exhibit I–12; *see also* Appendix I of this notice. The Department will review the CBP data and comments from parties on the CBP data to determine how many quantity and value questionnaires we will mail to producers and exporters of galvanized steel wire from the PRC.

The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the deadline noted below 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); *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China,* 70 FR 21996, 21999 (April 28, 2005). Although the Department is limiting the number of quantity and value questionnaires it will send out, exporters and producers of galvanized steel wire that do not receive quantity and value questionnaires that intend to submit a response can obtain a copy from the Import Administration Web site. 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* and a response to the quantity and value questionnaire is due no later than May 25, 2011.

Mexico

Following standard practice in AD investigations involving ME countries, the Department intends to select respondents based on CBP data for U.S. imports under the HTSUS numbers 7217.20.30 and 7217.20.45. 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 seven 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.*

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 and Combination Rates Bulletin"), available on the Department's Web site at *http://ia.ita.doc.gov/policy/bull05-1.pdf.* Based on our experience in processing the separate-rate applications in previous antidumping duty investigations, we have modified the application for this investigation to make it more administrable and easier for applicants to complete. *See, e.g., Initiation of Antidumping Duty Investigation: Certain New Pneumatic Off-the-Road Tires From the People's Republic of China,* 72 FR 43591, 43594–95 (August 6, 2007). 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 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 after publication of this initiation notice. For exporters and producers who submit a separate-rate status application and subsequently are selected as mandatory respondents, these exporters and producers will no longer be eligible for consideration for separate rate status unless they respond to all parts of the questionnaire as mandatory respondents. As noted in the "Respondent Selection" section above, the Department requires that

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. The quantity and value questionnaire will be available on the Department's Web site at *http://ia.ita.doc.gov/ia-highlights-and-news.html* on the date of the publication of this initiation notice in the **Federal Register**.

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 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 (emphasis added).

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public versions of the Petitions have been provided to the representatives of the Governments of the PRC and Mexico. Because of the large number of producers/exporters identified in the Petitions, the Department considers the service of the public version of the Petitions to the foreign producers/exporters satisfied by the delivery of the public versions of the Petitions to the Governments of the PRC and Mexico, consistent with 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 preliminarily determine, no later than May 16, 2011, whether there is a reasonable indication that imports of galvanized steel wire from the PRC and Mexico are materially injuring, or threatening material injury to a U.S. industry. A negative ITC determination with respect to any country will result in the investigation being terminated for that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures* (73 FR 3634). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (*e.g.,* the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

Any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information. *See* section 782(b) of the Act. Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all segments of any AD/CVD proceedings initiated on or after March 14, 2011. *See Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule, 76 FR 7491* (February 10, 2011) (*Interim Final Rule*) amending 19 CFR 351.303(g)(1) & (2). The formats for the revised certifications are provided at the end of the *Interim Final Rule.* The Department intends to reject factual submissions in any proceeding segments initiated on or after March 14, 2011, if the submitting party does not comply with the revised certification requirements.

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

Dated: April 20, 2011.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

Appendix I

Scope of the Investigations

The scope of these investigations covers galvanized steel wire which is a cold-drawn carbon quality steel product in coils, of solid, circular cross section with an actual diameter of 0.5842 mm (0.0230 inch) or more, plated or coated with zinc (whether by hot-dipping or electroplating).

Steel products to be included in the scope of these investigations, regardless of Harmonized Tariff Schedule of the United States ("HTSUS") definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is two percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 1.50 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.02 percent of boron, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.41 percent of titanium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

The products subject to these investigations are currently classified in subheadings 7217.20.30 and 7217.20.45 of the HTSUS which cover galvanized wire of all diameters and all carbon content. Galvanized wire is reported under statistical reporting numbers 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540, 7217.20.4550, 7217.20.4560, 7217.20.4570, and 7217.20.4580. These products may also enter under HTSUS subheadings 7229.20.0015, 7229.90.5008, 7229.90.5016, 7229.90.5031, and 7229.90.5051. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise is dispositive.

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DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–972, A–583–848]

Certain Stilbenic Optical Brightening Agents From the People's Republic of China and Taiwan: Initiation of Antidumping Duty Investigations

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

DATES: *Effective Date:* April 27, 2011.

FOR FURTHER INFORMATION CONTACT: Shawn Higgins at (202) 482–0679 or Robert Bolling at (202) 482–3434 (People's Republic of China), AD/CVD Enforcement, Office 4 or Hermes Pinilla at (202) 482–3477 or Sandra Stewart at (202) 482–0768 (Taiwan), AD/CVD Enforcement, Office 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.