

DEPARTMENT OF COMMERCE**Bureau of Industry and Security****[Docket No. 021104266-2266-01]****Impact of Implementation of the Chemical Weapons Convention on Commercial Activities Involving "Schedule 1" Chemicals Through Calendar Year 2002****AGENCY:** Bureau of Industry and Security, Commerce.**ACTION:** Notice of inquiry.

SUMMARY: The Bureau of Industry and Security (BIS) is seeking public comments on the impact that implementation of the Chemical Weapons Convention has had on commercial activities involving "Schedule 1" chemicals through calendar year 2002. This notice of inquiry is part of an effort to collect information to assist in the preparation of the annual Presidential certification required under condition 9 of Senate Resolution 75, April 24, 1997, in which the Senate gave its advice and consent to the ratification of the Chemical Weapons Convention.

DATES: Comments are due December 18, 2002.

ADDRESSES: Written comments (four copies) should be submitted to Willard Fisher, Regulatory Policy Division, Office of Exporter Services, Bureau of Industry and Security, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, NW., Room 2705, Washington, DC 20230. In order to meet the due date for comments, single copies may be faxed to (202) 482-3355, provided that you follow up by submitting the appropriate number (four copies) of written comments.

FOR FURTHER INFORMATION CONTACT: For questions on the Chemical Weapons Convention requirements for "Schedule 1" chemicals, contact Larry Denyer, Treaty Compliance Division, Office of Nonproliferation Controls and Treaty Compliance, Bureau of Industry and Security, U.S. Department of Commerce, Phone: (703) 605-4400. For questions on the submission of comments, contact Willard Fisher, Regulatory Policy Division, Office of Exporter Services, Bureau of Industry and Security, U.S. Department of Commerce, Phone: (202) 482-2440.

SUPPLEMENTARY INFORMATION:**Background**

In its resolution to advise and consent to the ratification of the Chemical Weapons Convention (S. Res. 75, April 24, 1997), the Senate included several

conditions. Condition 9 of Senate Resolution 75, titled "Protection of Advanced Biotechnology," provides that the President shall certify to the Congress on an annual basis that " * * * the legitimate commercial activities and interests of chemical, biotechnology, and pharmaceutical firms in the United States are not being significantly harmed by the limitations of the Convention on access to, and production of, those chemicals and toxins listed in Schedule 1 * * *". The Bureau of Industry and Security is collecting data to assist in determining the impact, if any, that the implementation of the Convention's requirements have had on commercial "Schedule 1" activities through calendar year 2002.

The Convention on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons and Their Destruction, commonly called the Chemical Weapons Convention (CWC), is an international treaty that establishes the Organization for the Prohibition of Chemical Weapons (OPCW) to implement the verification provisions of the treaty. The CWC imposes a number of obligations on countries that have ratified the Convention (States Parties), including enactment of legislation to prohibit the production, storage, and use of chemical weapons, and establishment of a National Authority for liaison with the OPCW and other States Parties. The CWC also requires States Parties to implement a comprehensive data declaration and inspection regime to provide transparency and to verify that both the public and private sectors of States Parties are not engaged in activities prohibited under the CWC.

"Schedule 1" chemicals are those toxic chemicals and precursors identified in the Convention as posing a high risk to the object and purpose of the Convention. The "Schedule 1" chemicals are set forth in the Convention's "Annex on Chemicals," as well as in Supplement No. 1 to part 712 of the Chemical Weapons Convention Regulations (15 CFR 712).

The "Schedule 1" provisions of the Convention that affect commercial activities are implemented through part 712 of the Chemical Weapons Convention Regulations and parts 742 and 745 of the Export Administration Regulations, both administered by the Bureau of Industry and Security. These regulations:

(1) Prohibit the import of "Schedule 1" chemicals from States not Party to the Convention (15 CFR 712.2);

(2) Require annual declarations by certain facilities engaged in the production of "Schedule 1" chemicals in excess of 100 grams aggregate per calendar year (*i.e.*, declared "Schedule 1" facilities) for purposes not prohibited by the Convention (15 CFR 712.3(a) and (b));

(3) Require government approval of "declared Schedule 1" facilities (15 CFR 712.3(e));

(4) Provide that "declared Schedule 1" facilities are subject to initial and routine inspection by the Organization for the Prohibition of Chemical Weapons (15 CFR 712.3(d));

(5) Require 200 days advance notification of establishment of new "Schedule 1" production facilities producing greater than 100 grams aggregate of "Schedule 1" chemicals per calendar year (15 CFR 712.4);

(6) Require advance notification and annual reporting of all imports and exports of "Schedule 1" chemicals to, or from, other States Parties to the Convention (15 CFR 712.5, 742.18 and 745); and

(7) Prohibit the export of "Schedule 1" chemicals to States not Party to the Convention (15 CFR 742.18 and 745.2).

Discussion and Request for Comments

In order to assist in determining whether the legitimate commercial activities and interests of chemical, biotechnology, and pharmaceutical firms in the United States are being significantly harmed by the limitations of the Convention on access to, and production of, "Schedule 1" chemicals, BIS is seeking public comments on any effects that implementation of the Chemical Weapons Convention has had on commercial activities involving "Schedule 1" chemicals.

Submission of Comments

All comments must be submitted to the address indicated in this notice. The Department requires that all comments be submitted in written form.

The Department encourages interested persons who wish to comment to do so at the earliest possible time. The period for submission of comments will close on December 18, 2002. The Department will consider all comments received before the close of the comment period. Comments received after the end of the comment period will be considered if possible, but their consideration cannot be assured. The Department will not accept comments accompanied by a request that a part or all of the material be treated confidentially because of its business proprietary nature or for any other reason. The Department will return such comments and materials to

the persons submitting the comments and will not consider them. All comments submitted in response to this notice will be a matter of public record and will be available for public inspection and copying.

The Office of Administration, Bureau of Industry and Security, U.S. Department of Commerce, displays public comments on the BIS Freedom of Information Act (FOIA) Web site at <http://www.bis.doc.gov/foia>. This office does not maintain a separate public inspection facility. If you have technical difficulties accessing this web site, please call BIS's Office of Administration, at (202) 482-0637, for assistance.

Dated: November 20, 2002.

James J. Jochum,

Assistant Secretary for Export Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-851]

Notice of Initiation of Countervailing Duty Investigation: Dynamic Random Access Memory Semiconductors from the Republic of Korea

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

ACTION: Initiation of Countervailing Duty Investigation.

EFFECTIVE DATE: November 27, 2002.

FOR FURTHER INFORMATION CONTACT: Suresh Maniam or Ryan Langan at (202) 482-0176 or (202) 482-2613, respectively; AD/CVD Enforcement, Group I, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUMMARY: The Department of Commerce is initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters of dynamic random access memory from the Republic of Korea have received countervailable subsidies.

SUPPLEMENTARY INFORMATION:

INITIATION OF INVESTIGATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments

made to the Tariff Act of 1930 (the "Act") by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce's (the "Department") regulations are references to the provisions codified at 19 CFR Part 351 (April 2002).

The Petition

On November 1, 2002, the Department received a petition filed in proper form by Micron Technology, Inc. (the "petitioner"). The Department received supplemental information to support the petition on November 13 and 19, 2002.

In accordance with section 702(b)(1) of the Act, the petitioner alleges that manufacturers, producers, or exporters of the subject merchandise from the Republic of Korea ("Korea") receive countervailable subsidies within the meaning of section 701 of the Act, and that imports of the subject merchandise are materially injuring, or threatening material injury to, an industry in the United States.

The Department finds that the petitioner filed this petition on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support. See "Determination of Industry Support for the Petition" section, below.

Scope of Investigation

The products covered by this investigation are Dynamic Random Access Memory semiconductors ("DRAMs") from Korea, whether assembled or unassembled. Assembled DRAMs include all package types. Unassembled DRAMs include processed wafers, uncut die, and cut die. Processed wafers fabricated in Korea, but assembled into finished semiconductors outside Korea are also included in the scope. Processed wafers fabricated outside Korea and assembled into finished semiconductors in Korea are not included in the scope.

The scope of this investigation additionally includes memory modules containing DRAMs from Korea. A memory module is a collection of DRAMs, the sole function of which is memory. Memory modules include single in-line processing modules ("SIPs"), single in-line memory modules ("SIMMs"), dual in-line memory modules ("DIMMs"), small outline dual in-line memory modules ("SODIMMs"), Rambus in-line memory modules ("RIMMs"), and memory cards or other collections of DRAMs, whether unmounted or mounted on a circuit

board. Modules that contain other parts that are needed to support the function of memory are covered. Only those modules that contain additional items which alter the function of the module to something other than memory, such as video graphics adapter ("VGA") boards and cards, are not included in the scope. This investigation also covers future DRAM module types.

The scope of this investigation additionally includes, but is not limited to, video random access memory ("VRAM"), and synchronous graphics RAM ("SGRAM"), as well as various types of DRAMs, including fast page-mode ("FPM"), extended data-out ("EDO"), burst extended data-out ("BEDO"), synchronous dynamic RAM ("SDRAM"), Rambus DRAM ("RDRAM") and Double Data Rate DRAM, ("DDR SDRAM"). The scope also includes any future density, packaging, or assembling of DRAMs. Also included in the scope of this investigation are removable memory modules placed on motherboards, with or without a central processing unit ("CPU"), unless the importer of the motherboards certifies with the Customs Service that neither it, nor a party related to it or under contract to it, will remove the modules from the motherboards after importation. The scope of this investigation does not include DRAMs or memory modules that are re-imported for repair or replacement.

The DRAMs subject to this investigation are currently classifiable under subheadings 8542.21.8005 and 8542.21.8021 through 8542.21.8029 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The memory modules containing DRAMs from Korea, described above, are currently classifiable under subheadings 8473.30.10.40 or 8473.30.10.80 of the HTSUS. Although the HTSUS subheadings are provided for convenience and Customs purposes, the Department's written description of the scope of this investigation remains dispositive.

Scope Issue

The scope language as proposed by the petitioner included "[p]rocessed wafers fabricated outside Korea, and assembled into finished semiconductors in Korea." As discussed below, the Department has determined not to include this language in the scope of this investigation. In past semiconductor cases, the Department has determined that country of fabrication confers country of origin and in fact has specifically excluded wafers produced in a third country that are