

DEPARTMENT OF COMMERCE**International Trade Administration**

[A-570-861, A-580-845, A-412-819]

Initiation of Antidumping Duty Investigations: Desktop Note Counters and Scanners From the People's Republic of China, the Republic of Korea and the United Kingdom

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

EFFECTIVE DATE: August 11, 2000.

FOR FURTHER INFORMATION CONTACT: Craig Matney or Gregory Campbell, Office 1, AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1778 or (202) 482-2239, respectively.

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 ("Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("Department") regulations are to 19 CFR Part 351 (1999).

The Petitions

On July 17, 2000, the Department received petitions filed in proper form by Cummins-Allison Corporation, hereinafter referred to as "the petitioner." The Department received information supplementing the petitions throughout the initiation period.

In accordance with section 732(b) of the Act, the petitioner alleges that imports of desktop note counters and desktop note scanners from the People's Republic of China ("PRC"), the Republic of Korea ("Korea") and the United Kingdom ("U.K.") 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 threaten to injure an industry in the United States.

The Department finds that the petitioner filed these petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it represents, at a minimum, the required proportion of the United States industry with respect to the antidumping investigations that it

has requested the Department to initiate (*see Determination of Industry Support for the Petitions* section below).

Scope of Investigation

The products covered by these investigations are commonly referred to as desktop note counters ("counters") and desktop note scanners ("scanners"), whether assembled, partially assembled or unassembled, with or without operation-enabling software loaded. Counters and scanners are document handling machines that employ an electro-mechanical processing mechanism to accurately count currency bills, bank notes, coupons, script, or other value-based paper documents and to stack them in an organized fashion. The processing mechanism typically encompasses a feeder assembly from which documents are separated and introduced into the machine, a paper path through which the documents are fed, a transport mechanism, a sensing device located along the paper path that counts the documents, and a stacking location (or locations) that accepts the documents after counting and/or arranging them. Counters and scanners also have an integrated keypad, or keyboard, and a display panel. Both counters and scanners can incorporate a sensor device for detecting suspect (i.e., counterfeit) documents. Scanners have additional sensors, or scanning devices, that enable the machines to distinguish documents by denomination. Scanners and counters may consist of one or more stacker assemblies to accommodate bill sorting. The counters and scanners subject to these investigations are portable; they typically weigh less than 100 pounds and may be easily moved by hand from one location to another.

Specifically excluded from the scope of these investigations are counters and scanners that are too large to be considered portable, or desktop, which are typically designed for very high volume use in regional and headquarter vaults of commercial banks and central bank vaults. However, the simple attachment of weights, stands, wheels, or similar devices does not, by itself, remove an otherwise portable counter or scanner from the scope of these investigations. Other document and currency handling machines, such as currency wrappers, currency verifiers, bundle counters, coin-handling machines, bill-accepting devices used in vending machines, and ATM machines, also are excluded from the scope of these investigations.

Imports of counters and scanners are currently classifiable under subheading 8472.90.9520 of the Harmonized Tariff Schedule of the United States

("HTSUS"). Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

During our review of the petitions, we discussed the scope with the petitioner to ensure that it accurately reflects the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the Department's regulations (62 FR 27323), 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 publication of this notice. Comments should be addressed to Import Administration's Central Records Unit at Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and consult with interested parties prior to the issuance of the preliminary determinations.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (1) At least 25 percent of the total production of the domestic like product, and (2) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition.

Section 771(4)(A) of the Act defines the "industry" as the producers of a domestic like product. Thus, to determine whether the petitions have 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 separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this

may result in different definitions of the domestic like product, such differences do not render the decision of either agency contrary to the law.¹

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.

The domestic like product referred to in the petitions is the single domestic like product defined in the "Scope of Investigations" section above. No party has commented on the petitions' definition of the domestic like product, and there is nothing on the record to indicate that this definition is inaccurate. The Department, therefore, has adopted the domestic like product definition set forth in the petitions.

Moreover, the Department has determined that the petitions contain adequate evidence of industry support; therefore, polling is unnecessary (*see Initiation Checklist*, dated August 7, 2000 ("Initiation Checklist"), at Industry Support). The petitioner indicated that there may be one additional U.S. producer accounting for a "very small volume of subject merchandise." We attempted to contact the potential producer identified by the petitioner, but our attempts were unsuccessful. We have no knowledge of other domestic producers. Accordingly, the Department determines that these petitions are filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Normal Value and Export Price

The following are descriptions of the allegations of sales at less than fair value upon which the Department based its decision to initiate these investigations. The petitioner, in determining normal value ("NV") for Korea and the U.K., relied upon price data contained in confidential foreign market research reports filed with the Department. At the Department's request, the petitioner arranged for the Department to contact the author of each report to verify the accuracy of the data, the methodology used to collect the data, and the

credentials of those gathering the market research.

The Department's discussions with the author of each market research report are summarized in separate memoranda entitled "*Memorandum to Case File*" *RE: Market Research Report*, dated August 7, 2000. The sources of data for the deductions and adjustments relating to home market ("HM") price, U.S. price, and factors of production are also discussed in the *Initiation Checklist*. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we may re-examine the information and revise the margin calculations, if appropriate.

PRC

Normal Value

The petitioner asserts that the Department considers the PRC to be a non-market economy country ("NME") and, therefore, constructed NV based on the factors of production ("FOP") methodology pursuant to section 773(c) of the Act. In previous cases, the Department has determined that the PRC is an NME. *See, e.g., Heavy Forged Hand Tools, Finished or Unfinished, With or Without Handles, From the People's Republic of China*, 64 FR 5770, 5773 (February 5, 1999). In accordance with section 771(18)(C)(i) of the Act, the NME status remains in effect until revoked by the Department. The NME status of the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product appropriately is based on FOP 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.

In accordance with section 773(c)(4) of the Act, the petitioner valued FOP for counters, where possible, on reasonably available, public surrogate country data. Citing past Department practice, the petitioner used India as the surrogate country. Direct materials values were based on price quotes obtained from a market research firm. For those direct materials for which prices in India were unavailable, the petitioner based the surrogate value on its own costs. *See Initiation Checklist and Memorandum to Case File: Initiation Margin Calculations ("PRC calculation memorandum")* dated August 7, 2000.

Labor was valued using the regression-based wage rate for the PRC, in accordance with 19 CFR 351.408(c)(3). Electricity was valued using the petitioner's own experience regarding the energy required to produce one unit. For overhead, SG&A and profit, the petitioner applied rates derived from the publicly available annual report of an Indian producer of comparable merchandise, Methodex Systems Limited. Packing costs were calculated using the petitioner's own experience regarding packing materials and packing labor hours. The petitioner added U.S. direct selling expenses to NV. However, in accordance with the Department's normal NME methodology, we did not include this circumstance of sale adjustment in the margin calculations. *See Titanium Sponge from the Russian Federation, Notice of Final Results of Antidumping Duty Administrative Review*, 62 FR 48605 (September 16, 1997). The Department made several additional changes to the petitioner's calculation of NV, as discussed in the *PRC calculation memorandum*.

Export Price and Constructed Export Price

The petitioner identified two companies, Dong Bo and Toyocom, that produce subject merchandise in the PRC. According to the petitioner, Dong Bo sells subject merchandise directly to unaffiliated customers in the United States, whereas Toyocom sells subject merchandise through an affiliated reseller. For Dong Bo, the petitioner based export price ("EP") on price quotes for Dong Bo counters obtained from a U.S. distributor. To calculate EP, the petitioner deducted from the price quote a distributor's gross margin (*i.e.*, distributor mark-up) and movement expenses (ocean freight, FOB charges, delivery charges, document and handling charges, clearance charges, insurance costs, and U.S. Customs duty). For Toyocom, the petitioner based constructed export price ("CEP") on seven price quotes for Toyocom counters obtained from unaffiliated U.S. distributors. To calculate CEP, the petitioner deducted from the price quotes, in addition to the expenses listed above for the calculation of EP for Dong Bo, direct and indirect selling expenses, and CEP profit. The Department recalculated the distributor's gross margin, indirect selling expenses and imputed credit expenses using more contemporaneous and product-specific data from the financial statements of the three U.S. office equipment distributors. *See Initiation Checklist and PRC calculation memorandum*.

¹ *See Algoma Steel Corp. Ltd., v. United States*, 688 F. Supp. 639, 642-44 (CIT 1988); *High Information Content Flat Panel Displays and Display Glass from Japan: Final Determination; Rescission of Investigation and Partial Dismissal of Petition*, 56 FR 32376, 32380-81 (July 16, 1991).

Based on comparisons of EP, or CEP, to NV, calculated in accordance with section 773(c) of the Act, the estimated dumping margins for counters and scanners from the PRC range from 66.44 percent to 354.34 percent.

Korea

Normal Value

The petitioner identified five producers of counters in Korea, two of which were found to export subject merchandise to the United States. The petitioner obtained home market pricing data for Plus Banking Machine Company ("Plus") and Shinsung Electronics Company, Ltd. ("Shinsung"), two producers/exporters of counters in Korea. However, because the petitioner was unable to obtain U.S. price quotes for Shinsung, it based NV on the HM price quotes from Plus for models identical to those offered for sale in the United States. To calculate NV, the petitioner made the following adjustments to the price quotes: (1) deducted HM imputed credit expenses and HM packing expenses; and (2) added U.S. imputed credit expenses and U.S. packing expenses.

The Department adjusted the petitioner's calculation of the U.S. imputed credit expense based on more contemporaneous and product-specific information (*see Initiation Checklist*). Additionally, although Plus sells counters directly to end users in the home market while selling to distributors in the U.S. market, the petitioner was unable to quantify any adjustment for the differences in the level of trade between the two markets.

Export Price

The petitioner based EP on price quotes for two models of Plus counters obtained from several unaffiliated U.S. distributors. To calculate EP, the petitioner deducted distributor's gross margin and movement expenses (specifically, ocean freight, FOB charges, delivery charges, document and handling charges, clearance charges, insurance charges, and customs duties). The Department recalculated distributor's gross margin, indirect selling expenses and imputed credit expenses using more contemporaneous and product-specific data contained in the financial statements of the three U.S. office equipment distributors. *See Initiation Checklist and Memorandum to Case File: Initiation Margin Calculations ("Korea calculation memorandum")*.

Based on comparisons of EP to NV, calculated in accordance with section 773(a) of the Act, the estimated

dumping margins for counters and scanners from Korea range from 0 percent to 66.43 percent.

United Kingdom

Normal Value

The petitioner identified De La Rue Cash Systems ("De La Rue") as the sole producer of counters and scanners in the U.K. Therefore, the petitioner based NV on HM price quotes for sales of counters and scanners obtained directly from De La Rue. To calculate NV, the petitioner deducted from the price quotes foreign inland freight expenses, imputed credit expenses, HM packing expenses, and indirect selling expenses. The petitioner then made an adjustment for the difference in merchandise to account for certain features of the U.K. model that were absent from the U.S. comparison model, where applicable. Finally, the petitioner added U.S. packing expenses to the price quote. Because De La Rue sells subject merchandise in the home market directly to end users, the petitioner did not make any adjustments for distributor mark-up.

Constructed Export Price

The petitioner used CEP as the basis for U.S. price because De La Rue sells counters and scanners in the U.S. to unaffiliated customers through a U.S.-based affiliated reseller (*i.e.*, De La Rue Cash Systems). To establish CEP, the petitioner obtained five price quotes for subject merchandise produced by De La Rue—three offers for sale from De La Rue Cash Systems to unaffiliated U.S. end-users and two offers for sale from an unaffiliated U.S. distributor to an unaffiliated U.S. end-user. The petitioner calculated CEP by deducting from the price quotes the unaffiliated distributor's gross margin (where applicable), movement-related expenses (specifically, ocean freight, FOB charges, delivery charges, document and handling charges, clearance charges, insurance charges, and customs duties), imputed credit expenses, indirect selling expenses, and CEP profit.

The Department recalculated distributor's gross margin, indirect selling expenses and imputed credit expenses using more contemporaneous and product-specific data contained in financial statements of the three U.S. office equipment distributors. *See Initiation Checklist and Memorandum to Case File: Initiation Margin Calculations ("U.K. calculation memorandum")*.

Based on comparisons of CEP to NV, calculated in accordance with section 773(a) of the Act, the estimated

dumping margins for counters and scanners from the U.K. range from 35.93 percent to 173.14 percent.

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of desktop note counters and desktop note scanners from the PRC, Korea, and the U.K. are being, or are likely to be, sold in the United States at less than fair value

Allegations and Evidence of Material Injury and Causation

The petitions 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 individual and cumulated imports of the subject merchandise sold at less than NV. The petitioner contends that the industry's injured condition is evident in the declining trends in operating profit, sales volumes, market share, prices, and availability of research and development resources. The allegations of injury and causation are supported by relevant evidence including U.S. Customs import data, lost sales, and pricing information. We have assessed the allegations and supporting evidence regarding material injury and causation, and have determined that these allegations are properly supported by accurate and adequate evidence and meet the statutory requirements for initiation (*see, Initiation Checklist E.*).

Initiation of Antidumping Investigations

Based upon our examination of the petitions on counters and scanners, we have found that the petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of counters and scanners from the PRC, Korea, and the U.K. are being, or are likely to be, sold in the United States at less than fair value. Unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act, a copy of the public version of each petition has been provided to the representatives of the PRC, Korea and the U.K. We will attempt to provide a copy of the public version of each petition to each exporter named in the petitions, as appropriate.

*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 ITC

The ITC will preliminarily determine, no later than August 31, 2000, whether there is a reasonable indication that imports of counters and scanners from the PRC, Korea, and the U.K. are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

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

Dated: August 7, 2000.

Troy H. Cribb,

Acting Assistant Secretary for Import Administration.

[FR Doc. 00-20445 Filed 8-10-00; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-484-801]

Electrolytic Manganese Dioxide From Greece: Notice of Extension of Time Limit for Final Results of Antidumping Administrative Review

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

ACTION: Notice of extension of time limit for the final results of antidumping duty administrative review.

SUMMARY: The Department of Commerce is extending the time limit for the final results of the antidumping duty administrative review of the antidumping duty order on electrolytic manganese dioxide from Greece. The period of review is April 1, 1998, through March 31, 1999.

EFFECTIVE DATE: August 11, 2000.

FOR FURTHER INFORMATION CONTACT: Hermes Pinilla or Richard Rimlinger, Office of AD/CVD Enforcement 3, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3477 or (202) 482-4477, respectively.

The Applicable Statute

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, all citations to the Department's regulations are to 19 CFR part 351 (1998).

Background

The Department of Commerce (the Department) has received a request to conduct an administrative review of the antidumping duty order on electrolytic manganese dioxide from Greece. On May 20, 1999, the Department initiated this administrative review covering the period April 1, 1998, through March 31, 1999. On May 8, 2000, the Department published the preliminary results of review in the **Federal Register** (65 FR 26567).

Extension of Time Limit for Final Results

During this review complex issues have been raised regarding the viability of the foreign market and the comparability of the product sold in the exporting country. Due to the constraints on the resources available to analyze such issues appropriately, we require an extension. Therefore, because it is not practicable to complete this review within the time limits mandated by section 751(a)(3)(A) of the Act the Department is extending the time limit for the final results to be 180 days from the date of publication of the preliminary results. Therefore, our final results are due no later than November 6, 2000. This extension of the time limit is in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).

Dated: August 4, 2000.

Richard W. Moreland,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 00-20440 Filed 8-10-00; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-827]

Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Large Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Mexico

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

EFFECTIVE DATE: August 11, 2000.

FOR FURTHER INFORMATION CONTACT: John Brinkmann or Russell Morris, Group II, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2786.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce ("the Department") regulations refer to the regulations codified at 19 CFR part 351 (April 1999).

Scope of Order

The products covered by this order are large diameter seamless carbon and alloy (other than stainless) steel standard, line, and pressure pipes produced, or equivalent, to the American Society for Testing and Materials ("ASTM") A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, and the American Petroleum Institute ("API") 5L specifications and meeting the physical parameters described below, regardless of application, with the exception of the exclusions discussed below. The scope of this order also includes all other products used in standard, line, or pressure pipe applications and meeting the physical parameters described below, regardless of specification, with the exception of the exclusions discussed below. Specifically included within the scope of this order are seamless pipes greater than 4.5 inches (114.3 mm) up to and including 16 inches (406.4 mm) in outside diameter, regardless of wall-thickness, manufacturing process (hot finished or cold-drawn), end finish (plain end, beveled end, upset end,