

**Notification to ITC**

Section 732(d) of the Act requires us to notify the U.S. International Trade Commission of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all non-privileged and non-confidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by June 11, 1984, whether there is a reasonable indication that imports of calcium hypochlorite from Japan are materially injuring, or threatening to materially injure, a U.S. industry. If that determination is negative, the investigation will terminate; otherwise, the investigation will proceed according to the statutory procedures.

Dated: May 15, 1984.

Alan F. Holmer,  
Deputy Assistant Secretary for Import Administration.

[FR Doc. 84-15617 Filed 5-18-84; 8:45 am]  
BILLING CODE 3510-05-84

**Fireplace Mesh Panels From Taiwan; Preliminary Results of Administrative Review of Antidumping Duty Order**

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

**ACTION:** Notice of preliminary results of administrative review of antidumping duty order.

**SUMMARY:** The Department of Commerce has conducted an administrative review of the antidumping duty order on fireplace mesh panels from Taiwan. The review covers 11 of the 15 known manufacturers and/or exporters of this merchandise to the United States and the period June 1, 1982 through May 31, 1983.

As a result of the review, because all of the nine shipping firms did not respond to the Department's questionnaire or provided inadequate responses to the Department's questionnaire, the Department has preliminarily determined to assess dumping duties on those firms' sales during the period using the best information available.

Interested parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** May 21, 1984.

**FOR FURTHER INFORMATION CONTACT:** Ron Nichols or John R. Kugelman, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230, telephone: (202) 377-5255/3601.

**SUPPLEMENTARY INFORMATION:****Background**

On July 7 1983 the Department of Commerce ("the Department") published in the Federal Register (43 FR 31279) the final results of its last administrative review of the antidumping duty order on fireplace mesh panels from Taiwan (47 FR 24616, June 7 1982) and announced its intent to conduct the next administrative review. As required by section 751 of the Tariff Act of 1930 ("the Tariff Act"), the Department has now conducted that administrative review.

**Scope of the Review**

Imports covered by the review are shipments of fireplace mesh panels. Such panels are defined as precut, flexible mesh panels, both finished and unfinished, which are constructed of interlocking spirals of steel wire and are of a kind used in the manufacture of safety screening for fireplaces. Fireplace mesh panels are currently classifiable under items 642.8700 and 654.0045 of the Tariff Schedules of the United States Annotated.

The review covers 11 of the 15 known manufacturers and/or exporters of Taiwanese fireplace mesh panels to the United States and the period June 1, 1982 through May 31, 1983.

Nine firms either did not respond to our questionnaire or provided inadequate responses to our questionnaire. For those non-responsive firms, we used the best information available for assessment and estimated antidumping duties cash deposit purposes. The best information available is the most recent rate for each firm. For the two other firms, both with no shipments, the cash deposit rate will be the most recent rate for each firm.

**Preliminary Results of the Review**

As a result of our review, we preliminarily determine that the following margins exist for the period June 1, 1982 through May 31, 1983:

Manufacturer/exporter	Margin (percent)
Chung Yi Factory/Tepey Industries Ltd. (a.k.a. Taiwan Fita Industries)	6.4
Foremost Industries Corp.	6.4
Fuan Da Industrial Co., Ltd.	6.4
Kent & J.M. Enterprise	6.4

Manufacturer/exporter	Margin (percent)
Maq Shing Enterprises Co., Ltd.	6.4
Taiwan Wire Mesh/Weira Co.	6.4
Teh Wo Steel Industrial Co., Ltd.	6.4
United Jacob (aka. Jackson Industrial Inc.)	6.4
Ya Song Manufacturing Co. (aka. Yeh Sheng Wire Mesh & Screen Co., Ltd./Teh Chung Iron of Superior Quality Co., Ltd.)	6.4

\*No shipments during the period.

Interested parties may submit written comments on these preliminary results within 30 days of the date of publication of this notice and may request disclosure and/or a hearing within 10 days of the date of publication. Any hearing, if requested, will be held 45 days after the date of publication or the first workday thereafter. Any request for an administrative protective order must be made no later than 5 days after the date of publication. The Department will publish the final results of the administrative review including the results of its analysis of any such comments of hearing.

The Department shall determine, and the U.S. Customs Service shall assess, dumping duties on all appropriate entries. The Department will issue appraisement instructions directly to the Customs Service.

Further, as provided for by § 353.48(b) of the Commerce Regulations, a cash deposit of estimated antidumping duties of 6.4 percent shall be required on all shipments of Taiwanese fireplace mesh panels entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review.

This administrative review and notice are in accordance with section 751(a) (1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 353.53 of the Commerce Regulations (19 CFR 353.53).

Dated: May, 10, 1984.

Alan F. Holmer,  
Deputy Assistant Secretary for Import Administration.

[FR Doc. 84-15637 Filed 5-18-84; 8:45 am]  
BILLING CODE 3510-05-84

**Presidential Decision on the Impact of Ferroalloy Imports on the National Security**

**AGENCY:** Office of Industrial Resource Administration, International Trade Administration, Commerce.

**ACTION:** Notice of Presidential decision regarding the Department of Commerce's investigation to determine the impact of ferroalloy imports on the national security pursuant to section 232 of the Trade Expansion Act of 1962, as amended.

**SUMMARY:** The President has determined that ferroalloy imports do not threaten to impair the U.S. national security. This decision follows the submission of a report by the Department of Commerce on its investigation under section 232 of the Trade Expansion Act into the effect on the national security of imports of ferroalloys, which are used extensively in the making of steel and specialty steel. The investigation was initiated following the filing of a petition by the Ferroalloy Association requesting such an investigation.

Underlying the President's decision are two actions on ferroalloys taken by the Administration since the section 232 petition was filed. In December 1982, the President authorized a stockpile upgrade program for the conversion by domestic companies of stockpile ores into high carbon ferrochrome and high carbon ferromanganese. The Administration also removed Generalized System of Preferences (GSP) eligibility for high carbon ferromanganese. These actions are effectively enhancing our industrial mobilization preparedness.

This Notice contains the Executive Summary of the section 232 report and a Stockpile Upgrade Assessment, both prepared by the Department of Commerce.

**FOR FURTHER INFORMATION CONTACT:** John A. Richards, Director, Office of Industrial Resource Administration, U.S. Department of Commerce, Room 3876, Washington, D.C. 20230, (202) 377-4506.

**SUPPLEMENTARY INFORMATION:** This Notice contains the Executive Summary of the report; the entire report is available for inspection at the International Trade Administration Records Inspection Facility, Room 4001-B, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20230. Information about the inspection and copying of records at the facility may be obtained from Patricia L. Mann, the International Trade Administration Freedom of Information Officer, at the above address or by calling (202) 377-3031.

#### Executive Summary of Section 232 Investigation

##### *I. Background of National Security Investigations per Section 232 Trade Expansion Act of 1962, as Amended*

**A. Purpose of an investigation.** An import impact investigation is conducted to determine the effect of the import of any article, good or commodity on the national security. An investigation includes examination of the effects of imports on all phases of U.S. productive capacity necessary to meet a selected

emergency scenario, as well as other factors related to national security.

Based on this report, the Secretary of Commerce will present the findings and recommendation to the President, who will determine what action, if any, is necessary to adjust the import of these products so that they do not threaten the national security.

**B. Legal authority.—1. The law.** Under section 232 of the Trade Expansion Act of 1962, as amended (19 USC 1862) the Secretary of Commerce, in consultation with the Secretary of Defense and other appropriate agencies, has the responsibility to conduct an investigation to determine the effect on the national security of imports of any article which may be the subject of a specific request by the head of any department or agency, by request of an interested party, or upon his own motion.

This function was transferred to the Secretary of Commerce from the Secretary of Treasury by Reorganization Plan No. 3 of 1979 (44 FR 69273) and as provided by Executive Order 12188 of January 2, 1980. The effective date of the transfer was January 2, 1980.

**2. The regulations.** To properly administer the responsibilities under the statute, regulations were promulgated prescribing procedures to be followed by the Department of Commerce to commence and conduct an investigation to determine the effect on the national security of the imports of any article. These regulations are found in Title 15, Code of Federal Regulations, Part 359, "Effects of Imported Articles on the National Security."

The regulations include requirements for the initiation of the investigation, the criteria for determining the effects of imports of the article on the national security, guidance to applicants as to the filing and content of requests and applications for investigations, the conduct of an investigation, the Secretary's report to the President, and the public availability of the record of the investigation.

**C. Critical factors of an investigation.** The regulations require that certain criteria be used to determine the effect of imports on the national security. They include:

(a) Requirements of the direct defense, indirect defense and essential civilian sectors;

(b) Domestic production needed for projected national defense needs;

(c) Capacity of domestic industries to meet projected national defense needs;

(d) Existing and anticipated availability of labor (skilled and unskilled), raw materials, products, production equipment and facilities, and

other supplies and services essential to the national defense;

(e) Growth requirements of domestic industries to meet national defense requirements;

(f) Quantity, quality and availability of imports;

(g) Impact of foreign competition on the economic welfare of the essential domestic industry;

(h) Serious effects of imports on the possible displacement of domestic products, unemployment, decrease in revenues to the government, loss of investments, loss of specialized skills and loss of productive capacity;

(i) Any other relevant factors that may weaken our national economy; and

(j) Other factors relevant to national security in light of the peculiarities of each case.

Further, each criterion is applied within the limits of a selected scenario approved by the National Security Council. Details of the emergency mobilization levels established by the scenario (classified) provide the Secretary of Commerce with specific industry requirements based on industrial data acquired by other agencies.

In addition, the total impact of the proposed action or inaction must be investigated. This includes foreign policy considerations, international trade policy, and procurement agreements. Finally, it should be understood that the purpose of a section 232 investigation is to safeguard the security of the nation, not the economic welfare of a company or an industry, except as that welfare may affect the national security.

**D. Conduct of an Investigation.** When an application to request an investigation is received by the Department of Commerce from another agency or department, or from an interested party, the regulations (15 CFR Part 359) require that the Department shall consult with the Department of Defense and other appropriate officers of the U.S. to determine the effect on the national security of the imports of the article in question. The Department may afford the public an opportunity to comment and present information and advice relevant to the application, if appropriate.

From that point forward, the Department will convene an interagency panel for detailed consultations and prepare a report to the President following the guidelines in the regulations and the statutes. A final report will be published in the Federal Register upon disposition of each request for an investigation.

## II. Background of the Investigation of the Ferroalloy Industry

On August 18, 1981, The Ferroalloys Association, located in Washington, D.C., representing all U.S. ferroalloy producers in the U.S., filed an application with the Department of Commerce requesting an investigation to determine the effect on the national security of the imports of chromium, manganese and silicon ferroalloys and related materials.

Ferroalloys impart distinctive qualities to steel and cast irons or serve important functions during the production cycle. The characteristics of metals are dependent upon their alloying materials.

The demand for ferroalloys is governed to a large extent by the requirements of the iron and steel industry for castings, mill shapes and forms of various combinations of strength and corrosion resistance, qualities that are affected by chemical composition. Basic to producing variations in both strength and corrosion resistance is the deliberate adjustment of the carbon content and the addition of other metals. These other metals, when combined with iron, are commonly referred to as ferroalloys. Ferroalloys are necessary in the production of steel for military and essential civilian needs.

The investigation focused on the following types of ferroalloys:

- Low carbon ferrochromium
- High carbon ferrochromium
- Ferrochromium silicon
- Chromium metal
- Low carbon ferromanganese
- Medium carbon ferromanganese
- High carbon ferromanganese
- Ferrosilicon manganese
- Manganese metal
- Ferrosilicon 8-60%
- Ferrosilicon 60-80% (commonly known as 75% ferrosilicon)
- Ferrosilicon 80-96%
- Silicon metal

## III. Methodology Used in This Investigation

To address the critical factors of a 232 investigation for the ferroalloys industry, the Department of Commerce followed this procedure:

1. National security policy determinations and mobilization planning documents were examined for guidance in developing a framework for the investigation. It was determined that the National Security Council (NSC)-approved mobilization scenario, used as basis for stockpiling and other mobilization planning, is suitable in this investigation as a basis for examining

the national security effects of imports of the materials in question.

2. The National Security Council approved mobilization scenario was selected and the criteria for determining the effect of imports on national security were identified in the scenario as that necessary to support expanded U.S. military activity and essential general civilian requirements. The scenario assumes that mobilization commences prior to the beginning of hostilities.

3. Mobilization requirements for the ferroalloys under investigation were calculated based on national security considerations and the selected scenario. To measure the total mobilization requirements (three years of conflict plus one year of mobilization) for each type of ferroalloy subject to this investigation, it was necessary to calculate the requirements under conditions of the assumed scenario for defense production and civilian production (which includes the materials content of essential consumer products and industry expansion projects) needs.

The Federal Emergency Management Agency (FEMA) calculated the requirements for defense production for each ferroalloy from defense mobilization expenditure levels provided by the Department of Defense. The defense mobilization expenditure levels were translated by an econometric input-output model into specific defense production ferroalloy requirements. These expenditure levels were projected based on this Administration's national security policy guidance. FEMA also projected ferroalloy requirements for essential civilian production based on the projected defense expenditures, assumed GNP estimates, plus austere personnel consumption, private investment, foreign trade and civilian government purchases, less imports.

4. Data were collected about the ferroalloy industry and the specific products under investigation to determine whether or not: (a) The domestic capability to produce these products was threatened, and (b) whether imports were causal in such cases.

5. Projections were made of the supply of ferroalloys that would be available from domestic production, imports, and national defense stockpiles during a national emergency.

6. Finally, a two-step analysis was conducted for each product under investigation to determine whether or not imports of that product pose a threat to national security. First, projected mobilization requirements for the individual ferroalloys were compared

with the total anticipated supply for each product including what could be supplied from domestic production and reliable imports. If total anticipated supply was insufficient to satisfy the projected requirements during each of the three conflict years, the shortfall in supply was assumed to be a threat to national security.

The second step was to assess the relationship of imports to the projected shortfall in supply. This assessment included an analysis of the 12 year trend (1970-1981) of domestic production, imports, consumption, domestic capacity utilization, and the price differentials between quoted domestic and import prices for these products. A time lag analysis of quoted domestic prices and import prices was calculated. A regression of price changes was calculated by lagging quoted prices of both imports and domestic products. Market penetration by imported products was studied by plotting the ratio of imports to apparent consumption over the 12 year period. Utilization of domestic production capacity of each ferroalloy was compared to the change in U.S. market share of the domestic ferroalloy producers.

In making a finding that imports posed a threat to national security, an evaluation was made of changing consumption patterns of each product, declines in domestic production for each product, increased reliance on imports, and limitations to industry growth due to import penetration and low capacity utilization of domestic production facilities. Where it was determined that the shortfall of anticipated supply to mobilization requirements was the result of a declining domestic production base, or limitation on expanding domestic production capacity due to import penetration, a positive finding was made.

## IV. Analysis and Findings

*The investigation has found that imports of two products do pose a threat to national security. They are:*

- High carbon ferrochromium
- High carbon ferromanganese

These products have been subject to foreign price pressure for more than 10 years. The investigation found a domestic industry of high technological efficiency able to meet foreign competition were it not for high labor, energy and environmental costs associated with domestic production. Action is deemed necessary to remedy the current situation for these two products.

### High Carbon Ferrochromium

- The Federal Emergency Management Agency (FEMA) report indicated a mobilization shortfall of \*\* of high carbon ferrochromium. The mobilization shortfall was calculated as the difference between projected requirements of \*\* and the total anticipated supply of \*\* of domestic production plus 387,200 short tons (ST) of imports. The National Defense Stockpile inventory of 402,696 ST of high carbon ferrochromium can meet only \*\* percent of this shortfall; \*\*

- Although demand (apparent consumption) for high carbon ferrochromium has increased over \*\* percent between 1970 and 1980, domestic production has fluctuated from 1970 to the present (it averaged approximately 169,700 ST yearly), and has declined over the past two years. Production in 1981 of 143,500 ST was approximately the same as in 1970.

- The decline in production has led to a reduction in overall capacity for ferrochrome. With a current capacity utilization rate of only 34 percent for high carbon ferrochromium, there is a clear danger that the industrial base for producing this product will continue to shrink.

- Imports of high carbon ferrochromium have ranged from eight percent of apparent consumption in 1970 (12,333 ST) to 75.2 percent of apparent consumption in 1981 (381,146 ST (p\*\*\*)), averaging 61 percent between 1976-1981.

- Pricing data shows that quoted prices of imported high carbon ferrochromium were consistently lower than that of the domestic product. A recent ITC decision indicates that high carbon " ferrochromium is being imported into the U.S. in such quantities as to be a substantial cause of serious injury to the domestic industry producing an article like or directly competitive with the imported article."

- Although actual transaction prices were not available for analysis, analysis of quoted prices suggests that lower-priced imports have forced domestic prices downward, and thus have adversely affected U.S. producers' profitability. A time lag analysis indicates that lower import prices consistently led domestic prices. These prices were quoted prices and may differ from transaction prices. A comparison of these prices gives a correlation coefficient of .900. When import prices were lagged one month, the correlation coefficient increased to

.920. It should be noted in considering this information that, in part, price differences may represent differing pricing strategies.

- The retrenchment of the industry, seen in terms of shrinking capacity utilization over the past decade, raises legitimate questions about its ability to adequately supply the defense industrial base with high carbon ferrochromium under the mobilization scenario.

### High Carbon Ferromanganese

- FEMA reports a mobilization shortfall of \*\* of high carbon ferromanganese. The mobilization shortfall was calculated as the difference between projected requirements of \*\* and the total anticipated supply of \*\* of domestic production plus \*\* of imports. The National Defense Stockpile inventory of this product is 599,978 ST, or \*\* percent of the reported shortfall.

- Domestic production of high carbon ferromanganese has declined by \*\* percent (from 789,700 ST to \*\*) during the 1970-1981 period of this study.

- Current production capacity utilization is at \*\* percent for all ferromanganese. \*\*\*\*

- In spite of a decline in ferromanganese consumption caused by conservation and technical improvements on the part of steelmakers and the reduced output of the U.S. steel industry, imports have increased dramatically. In 1981, imports totalled 636,067 (p) ST, compared to 268,000 ST in 1970. As U.S. production and consumption have declined over the period of the study, imports of high carbon ferromanganese have grown from 25.5 percent of consumption in 1970 to 89.8 percent in 1981.

- Based on quoted prices, the price of imported high carbon ferromanganese has been consistently lower than the domestic price between 1972 and 1982 in all calendar quarters but five. The time lag analysis indicates that lower import prices consistently led domestic prices.

These prices were quoted prices and may differ from transaction prices. A comparison of these prices gives a correlation coefficient of .900. When import prices were lagged one month, the correlation coefficient increased to .932. In considering this information, it should be noted that, in part, price differences may represent differing pricing strategies.

- The imports of high carbon ferromanganese, increasing concurrently with the decline in U.S. production, have resulted in the elimination of seven

furnaces with an annual capacity of 207,600 ST, and the shutdown of 14 others, with an annual capacity of 526,200 ST. Retrenchment of the industry threatens its ability to produce adequately for the defense industrial base under the mobilization scenario.

### Other Ferroalloys

The investigation did not find that imports of other ferroalloys and related materials pose a threat to the national security. These products are:

- Low carbon ferrochromium
- Ferrochromium silicon
- Chromium metal
- Low carbon ferromanganese
- Medium carbon ferromanganese
- Silicon manganese
- Manganese metal
- Ferrosilicon 8-60%
- Ferrosilicon 60-80%
- Ferrosilicon 80-96%
- Silicon metal

### V Options and Recommendations

In developing a recommendation based on the remedies which are listed below, the following criteria were used:

- (1) The primary purpose of a remedy must be to alleviate shortfalls in projected available supply of ferroalloys (as calculated from available imports, domestic production, and National Defense Stockpile inventories, if any) to meet national security needs (as defined by national security policy);

- (2) To maintain domestic production capacity to the extent that imports and National Defense Stockpile inventories would be insufficient to meet national security needs;

- (3) The selected remedy must incorporate, to the maximum extent possible, U.S. trade policy goals;

- (4) The selected remedy must be one in which the *direct* and *indirect* costs of taking such action are minimized; and

- (5) The selected remedy must be feasible.

### Options

The remedies that were considered are:

1. Upgrade the National Defense Stockpile (NDS) of Chromite and Manganese Ore into High Carbon Ferrochromium and High Carbon Ferromanganese to Eliminate the Mobilization Shortfalls
2. Impose Quotas on Certain Ferroalloy Imports
3. Impose a Breakpoint Tariff on Certain Ferroalloy Imports
4. Impose an Import Duty on Ferroalloys
5. Remove High Carbon Ferromanganese from Duty-Free

\*\*Portions of the report have been deleted because they are based on or contain company confidential or classified information.

\*\*\*Preliminary data.

\*\*\*\* High carbon ferromanganese represents 75 percent of all ferromanganese production.

*Treatment Under the Generalized System of Preferences (GSP)*

**6. Take No Action to Remedy National Security Threat Imposed by Ferroalloy Imports**

*Recommendations*

Having found that in the case of two of the ferroalloys investigated the national security is threatened by imports of these products, various remedies to redress this problem were analyzed. The primary consideration for policy intervention under Section 232 is to ensure the domestic availability of certain products for national defense purposes at the lowest possible cost and by methods consistent with overall U.S. trade objectives.

The option of upgrading the NDS of chromite and manganese ore into high carbon products would best accomplish the goals of alleviating shortfalls in projected available supplies of these products to meet national security needs; and maintaining domestic production capacity to the extent that imports and NDS inventories would be insufficient to meet national security needs. In addition, this option would not conflict with current U.S. trade policy. However, there would be an on-budget cost of \$33 million per year associated with this remedy.

The remedy should be implemented immediately. With one major producer already in Chapter XI proceedings, the industry cannot wait for relief.

Adjustment of the NDS should be accomplished using the independent authority of the Strategic and Critical Materials Stock Piling Act.

In addition to upgrading the NDS, removal from the GSP of high carbon ferromanganese is another action which is deemed appropriate as a result of these findings.

Shipments of high carbon ferromanganese from countries which benefit from the Generalized System of Preferences (GSP) totalled 120,504 ST and represented 19 percent of all such material imported into the U.S. in 1981. Mexico was the largest GSP supplier of high carbon ferromanganese in 1981, followed by Portugal, South Korea, Yugoslavia, and Brazil.

Requests to modify the GSP are considered within the interagency Trade Policy Committee (TPC) framework, and any removal of high carbon ferromanganese from the GSP under section 232 could be accomplished through the TPC. In reviewing a proposed modification, the key issue is its impact on the relevant domestic industry. Other factors considered include trends in consumption and domestic employment as well as the

effect duty-free treatment of a product would have on the domestic consumer. Recent requests to include some ferroalloys on which negative findings have been made in the Section 232 investigation in the GSP were rejected by the TPC on the basis that granting GSP eligibility for these ferroalloys would likely result in a significant adverse impact on domestic producers. Any reduction in import prices could force U.S. producers to reduce their prices and/or could decrease their sales volume.

Therefore, it is entirely consistent with the findings that high carbon ferromanganese be removed from GSP treatment because an impact on national security has been established due to the effect of imports on the domestic industry.

If the President indicates that the action of withdrawing GSP status for this material were taken for the purpose of adjusting imports to remove a threat to the national security caused by imports, such action could be considered an action "to adjust imports" within the meaning of section 232.

**Stockpile Upgrade Assessment**

*Introduction*

On November 29, 1982, the President directed the General Services Administration to begin a program to process stockpiled manganese and chromium ores into approximately 577,000 short tons of high-carbon ferromanganese and 519,000 short tons of high carbon ferrochromium during the next ten years. This stockpile upgrading program was designed to meet two objectives: 1) to decrease the amount of stockpile ore requiring conversion to ferroalloy form in time of national emergency, and 2) to help maintain domestic ferroalloy furnace and processing capacity.

The President's action, taken under the Strategic and Critical Materials Stockpiling Act of 1979, followed from concerns raised by the Commerce Department's report to the President on a ferroalloy investigation conducted under section 232 of the Trade Expansion Act of 1962. The Commerce Department had prepared the report pursuant to a petition filed by the Ferroalloy Association in August 1981 requesting an investigation, under the statute, of the impact of ferroalloy imports on the national security.

**Stockpile Upgrade Program**

On December 30, 1983, GSA awarded two contracts for converting ore into ferroalloy products. Elkem Metals Company of Marietta, Ohio was

awarded a contract for the upgrading of 48,000 short tons of manganese ore. The Macalloy Corporation of Charleston, SC was awarded a contract to process 121,000 short tons of chromite ore. Processing of this ore is expected to be completed by the end of 1984. GSA is currently preparing solicitations for the next phase of the upgrading program.

**Impact on Stockpile**

Based on a processing program allotted equally over ten years, the program objective for the first year would have been approximately 58,000 tons of high carbon ferrochrome (HcFeCr) and 52,000 tons of high-carbon ferromanganese (HcFeMn). GSA received acceptable bids for approximately 90% and 47%, respectively, of these first year program objectives. The first-year contracts awarded will therefore add about 50,000 tons of HcFeCr and about 24,000 tons of HcFeMn to the stockpile inventory. GSA may be in a position to increase next year's contract bids for HcFeMn to compensate for this year's shortfall in meeting annual input to the stockpile.

**Impact on Domestic Capacity**

When the President directed that this program be initiated, domestic capacity utilization for HcFeCr was about 34% and for HcFeMn, about 22-27%. Since that time, capacity utilization has dropped to zero for HcFeCr and to 11% for HcFeMn. The GSA upgrade program will increase capacity utilization to 20% for HcFeCr and to 19% for HcFeMn.

The contract awarded to the Macalloy Corporation will enable it to reactivate one of its two furnaces for a full year. In addition, Macalloy executives have stated that Macalloy, which is currently in Chapter 11 bankruptcy proceedings, will use the \$23 million GSA contract as a basis for the company's reorganization plan. Consequently, the contract may prove instrumental in preserving Macalloy as a viable ferroalloy processing company. Elkem Metals has advised us that its ferromanganese processing contract will either fully utilize the capacity of a 24,000 ton furnace for the full contract term, or will enable Elkem to keep in operation for six months a 55,000 ton furnace that otherwise would be shut down during the year.

**Conclusion**

The stockpile program will lessen the amount of ore needing conversion for an emergency mobilization. It is meeting its objective with regard to the HcFeCr. It is behind schedule for HcFeMn. The program will keep Macalloy in business

and thereby help preserve some domestic capacity. The stockpile program will also increase capacity utilization. However, given the current depressed state of the industry, utilization will be at a lower level than at the time the stockpile program was initiated.

Dated: May 17, 1984.

Walter J. Olson,

*Deputy Assistant Secretary for Export Administration International Trade Administration.*

[FR Doc. 84-13683 Filed 5-17-84; 12:22 pm]

BILLING CODE 3510-DT-M

## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Withdrawal of Call on Category 637 (Man-Made Fiber Playsuits) from Hong Kong

May 16, 1984.

On March 8, 1984 a notice was published in the Federal Register (49 FR 8660) announcing that, on February 27 1984, the Government of the United States had requested the Government of Hong Kong to enter into consultations concerning exports to the United States of textile products in Category 637 (playsuits of man-made fibers), produced or manufactured in Hong Kong. The purpose of this notice is to announce that the United States Government has concluded that there is no need to establish a limit for textile products in Category 637 at this time. Should it become necessary to discuss this category further with the Government of Hong Kong at a later date, notice will be published in the Federal Register.

Walter C. Lenahan,

*Chairman, Committee for the Implementation of Textile Agreements.*

[FR Doc. 84-13636 Filed 5-18-84; 6:45 am]

BILLING CODE 3510-DR-M

## DEPARTMENT OF ENERGY

### Office of the Secretary

### Civil Uses of Atomic Energy; Proposed Subsequent Arrangement; U.S. and EURATOM

Pursuant to section 131 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2160) notice is hereby given of a proposed "subsequent arrangement" under the Additional Agreement for Cooperation Between the Government of the United States of America and the European Atomic Energy Community

(EURATOM) Concerning Peaceful Uses of Atomic Energy, as amended.

The subsequent arrangement to be carried out under the above mentioned agreement involves approval for the return of 20 kilograms of highly enriched research reactor fuel of United States origin for reprocessing and storage at the Department of Energy facility in Idaho. The material has been irradiated in the FRJ-1 reactor in the Federal Republic of Germany.

In accordance with section 131 of the Atomic Energy Act of 1954, as amended, it has been determined that this subsequent arrangement will not be inimical to the common defense and security. The return of U.S. origin highly enriched uranium (HEU) is consistent with U.S. non-proliferation policy in that it serves to reduce the amount of HEU abroad.

This subsequent arrangement will take effect no sooner than fifteen days after the date of publication of this notice.

Dated: May 16, 1984.

For the Department of Energy,

George J. Bradley, Jr.,

*Deputy Assistant Secretary for International Affairs.*

[FR Doc. 84-13633 Filed 5-18-84; 8:45 am]

BILLING CODE 6450-01-M

### Civil Uses of Atomic Energy; Proposed Subsequent Arrangement; U.S. and EURATOM

Pursuant to section 131 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2160) notice is hereby given of a proposed "subsequent arrangement" under the Additional Agreement for Cooperation Between the Government of the United States of America and the European Atomic Energy Community (EURATOM) Concerning Peaceful Uses of Atomic Energy, as amended.

The subsequent arrangement to be carried out under the above mentioned agreement involves the supply of the following material:

Contract Number WC-EU-271, with Produktgruppenlieter, Fr. Kammerer GmbH, the Federal Republic of Germany, 992 grams of uranium, containing 0.2% U-235, in the form of metal plates, for coating. The material will then be returned to the United States for corrosion testing.

In accordance with section 131 of the Atomic Energy Act of 1954, as amended, it has been determined that this subsequent arrangement will not be inimical to the common defense and security.

This subsequent arrangement will take effect no sooner than fifteen days after the date of publication of this notice.

Dated: May 16, 1984.

For the Department of Energy,

George J. Bradley, Jr.,

*Deputy Assistant Secretary for International Affairs.*

[FR Doc. 84-13634 Filed 5-18-84; 8:45 am]

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### Civil Uses of Atomic Energy; Proposed Subsequent Arrangement; U.S. and Japan

Pursuant to section 131 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2160) notice is hereby given of a proposed "subsequent arrangement" under the Agreement for Cooperation Between the Government of the United States of America and the Government of Japan Concerning Civil Uses of Atomic Energy, as amended.

The subsequent arrangement to be carried out under the above mentioned agreement involves approval for the return of 22 kilograms of U.S. origin irradiated research reactor fuel from the JMTR reactor, and 20 kilograms from the JRR reactor, for reprocessing and storage at the Department of Energy Idaho facility.

In accordance with section 131 of the Atomic Energy Act of 1954, as amended, it has been determined that this subsequent arrangement will not be inimical to the common defense and security. The return of U.S. origin highly enriched uranium (HEU) to the U.S. is consistent with U.S. nonproliferation policy in that it tends to reduce the amount of HEU abroad.

This subsequent arrangement will take effect no sooner than fifteen days after the date of publication of this notice.

Dated: May 16, 1984.

For the Department of Energy,

George J. Bradley,

*Deputy Assistant Secretary for International Affairs.*

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### Civil Uses of Atomic Energy; Proposed Subsequent Arrangement; U.S. and Japan

Pursuant to section 131 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2160) notice is hereby given of a proposed "subsequent arrangement" under the Agreement for Cooperation Between the Government of the United