

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC

Investigation No. 701-TA-431 (Section 129 Consistency Determination)

DRAMS and DRAM MODULES FROM KOREA

AGENCY: United States International Trade Commission.

ACTION: Institution of a proceeding under section 129(a)(4) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. § 3538(a)(4)).

SUMMARY: The Commission hereby gives notice that it has instituted this proceeding following receipt on October 14, 2005, of a request from the United States Trade Representative (USTR) for a determination under section 129(a)(4) of the URAA that would render the Commission's action in connection with Investigation No. 701-TA-431 not inconsistent with the findings of the dispute settlement panel of the World Trade Organization (WTO) in its report *United States – Countervailing Duty Investigation on Dynamic Random Access Memory Semiconductors (DRAMs) from Korea*, WT/DS296/R. For further information concerning the conduct of this proceeding and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subpart A (19 CFR part 207).

EFFECTIVE DATE: **DATE OF PUBLICATION IN *FEDERAL REGISTER*.**

FOR FURTHER INFORMATION CONTACT: Robert Carpenter (202-205-3160), Office of Investigations, or Marc A. Bernstein (202-205-3087), Office of General Counsel, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record of Investigation No. 701-TA-431 may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background. – In August 2003, the Commission determined that an industry in the United States was materially injured by reason of subsidized imports of DRAMs and DRAM modules from Korea. Countervailing duties were then assessed against these products. The Republic of Korea subsequently initiated a dispute settlement proceeding at the WTO concerning the U.S. countervailing duty measure. Korea's action challenged both the Department of Commerce's subsidy determination and the Commission's injury determination.

The WTO dispute resolution panel issued its report on December 21, 2004. The panel evaluated six principal claims that Korea raised against the Commission's injury determination. It ruled in favor of the United States on five of these claims. The sixth claim concerned whether the Commission properly complied with the obligation under Article 15.5 of the WTO Agreement of Subsidies and Countervailing Measures (ASCM) not to attribute to the subject imports injury caused by other factors. The panel concluded that the Commission successfully satisfied the non-attribution obligation with respect to the factors of non-subject imports; capacity increases by DRAMs suppliers other than Hynix, the sole producer of subject merchandise; and the purported technological and production difficulties of U.S. producer Micron. It also concluded, however, that the Commission did not successfully satisfy the non-

attribution obligation with respect to the factor of declines in demand. Thus, in this one respect, the Panel concluded that the Commission's determination was inconsistent with the ASCM. The pertinent discussion appears at paragraphs 7.356-7.371 of the Panel Report.

Neither the United States nor Korea appealed the aspects of the Panel Report that addressed the Commission injury determination to the WTO Appellate Body. Both countries did appeal other aspects of the Panel Report, principally concerning Commerce's subsidy determination. On June 27, 2005, the Appellate Body resolved the issues on appeal in favor of the United States.

On July 20, 2005, the WTO Dispute Settlement Body (DSB) adopted the Panel Report as modified by the Appellate Body. Consequently, the DSB's action finalized the panel's conclusions concerning the Commission's determination. On August 3, 2005, the United States informed the DSB that it intends within a reasonable period of time to bring its measure into conformity with the report that the DSB had adopted.

The USTR transmitted his request for this determination following receipt from the Commission on September 22, 2005, of an advisory report under section 129(a)(1) of the URAA stating that the Commission has concluded that Title VII of the Tariff Act of 1930 permits it to take steps in connection with its action in *DRAMs and DRAM Modules from Korea*, Investigation No. 701-TA-431, that would render its action in that proceeding not inconsistent with the findings of the dispute settlement panel.

Participation in the investigation and public service list. – Only those persons who were interested parties to the original investigation (*i.e.*, persons listed on the Commission Secretary's service list) may participate in this proceeding. Such persons wishing to participate in this proceeding as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, no later than 21 days after publication of this notice in the *Federal Register*. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to this proceeding.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list. – Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make business proprietary information (BPI) gathered in the original investigation available under administrative protective order (APO) to authorized applicants that returned or destroyed all BPI received under the APO in the original investigation or were not covered under the original APO, provided that an application is made in this proceeding. Any such application must be made no later than 21 days after publication of this notice in the *Federal Register*. Authorized applicants must represent interested parties, as defined in 19 U.S.C. § 1677(9), who are parties to this proceeding. Parties that are currently subject to the APO issued in Investigation No. 701-TA-431 by virtue of their participation in the litigation before the Court of International Trade in *Hynix Semiconductor Inc. v. United States*, Ct. No. 03-652, need not file a new APO application in this proceeding. The Secretary will maintain a separate service list for those parties authorized to receive BPI under the APO.

Limitations on the scope of this proceeding. – This proceeding is being conducted in order for the Commission to make a determination that would render its action in *DRAMs and DRAM Modules from Korea*, Investigation No. 701-TA-431, not inconsistent with the findings of the WTO dispute settlement panel. Thus, this proceeding only involves issues related to the WTO dispute settlement findings and does not involve issues that were not in dispute in the WTO proceeding or on which the WTO dispute settlement panel found the United States in conformity with its obligations under the WTO. As discussed above, the only issue on which the WTO dispute settlement panel found the Commission's injury determination inconsistent with the ASCM pertained to the question of whether the Commission attributed to the subject imports any injury that may have been caused by declines in demand. Any

material in the parties' submissions that contains new factual information or that addresses any issue beyond the scope of this proceeding will be disregarded.

Written Submissions. – The Commission is not reopening the record in this proceeding for submission of new factual information. The Commission will, however, permit the parties to file comments and rebuttal comments pertaining to the issue that is within the scope of this proceeding. The deadline for filing comments is December 5, 2005. Comments shall be limited to no more than forty (40) double-spaced and single-sided pages of textual material. The deadline for filing rebuttal comments is December 19, 2005. Rebuttal comments shall be limited to no more than twenty (20) double-spaced and single sided pages of textual material.

Any material in the parties' submissions that contains new factual information or that addresses any issue beyond the scope of this proceeding will be disregarded.

All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 Fed. Reg. 68036 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

The Commission has concluded that, because it is not reopening the record, conducting a hearing is inappropriate in this proceeding.

By order of the Commission.

Marilyn R. Abbott  
Secretary to the Commission

Issued: October 31, 2005