	Period
Canada: Raspberries, A–122–401	6/1/95–5/31/96
France: Calcium Aluminate Flux, A–427–812	6/1/95–5/31/96
France: Large Power Transformers, A–427–030	6/1/95–5/31/96
France: Sugar, A–427–078	6/1/95–5/31/96
Germany: Industrial Belts, except Synchronous, & V belts, A–428–802	6/1/95–5/31/96
Germany: Precipitated Barium Carbonate, A–428–061	6/1/95–5/31/96
Germany: Rayon Yarn, A–428–810	6/1/95–5/31/96
Germany: Sugar, A–428–082	6/1/95–5/31/96
Hungary: Tapered Roller Bearings, A–437–601	6/1/95–5/31/96
Italy: Large Power Transformers, A–475–031	6/1/95–5/31/96
Italy: Synchronous and V–Belts, A–475–802	6/1/95–5/31/96
Japan: Fishnetting, A–588–029	6/1/95–5/31/96
Japan: Forklift Trucks, A–588–703	6/1/95–5/31/96
Japan: Grain-Oriented Electrical Steel, A–588–831	6/1/95–5/31/96
Japan: Industrial Belts, A–588–807	6/1/95–5/31/96
Japan: Large Power Transformers, A–588–032	6/1/95–5/31/96
Japan: Nitrile Rubber, A–588–706	6/1/95–5/31/96
New Zealand: Kiwifruit, A–614–801	6/1/95–5/31/96
Romania: Tapered Roller Bearings, A–485–602	6/1/95–5/31/96
Russia: Ferrosilicon, A–821–804	6/1/95–5/31/96
Singapore: V–Belts, A–559–803	6/1/95–5/31/96
South Africa: Furfuryl Alcohol, A–791–802	12/16/94–5/31/96
South Korea: PET Film, A–580–807	6/1/95–5/31/96
Sweden: Stainless Steel Plate, A–401–603	6/1/95–5/31/96
Taiwan: Carbon Steel Plate, A–583–080	6/1/95–5/31/96
Taiwan: Oil Country Tubular Goods, A–583–505	6/1/95–5/31/96
Taiwan: Stainless Steel Butt-Weld Pipe Fittings, A–583–816	6/1/95–5/31/96
Taiwan: Washers, A–583–820	6/1/95–5/31/96
The Netherlands: Aramid Fiber, A–421–805	6/1/95–5/31/96
The People's Republic of China: Furfuryl Alcohol, A–570–835	12/16/94–5/31/96
The People's Republic of China: Silicon Metal, A–570–806	6/1/95–5/31/96
The People's Republic of China: Sparklers, A–570–804	6/1/95–5/31/96
The People's Republic of China: Tapered Roller Bearings, A–570–601	6/1/95–5/31/96
Venezuela: Ferrosilicon, A–307–807	6/1/95–5/31/96
Countervailing Duty Proceedings:	
Italy: Grain-Oriented Electrical Steel, C–475–812	1/1/95–12/31/95

In accordance with sections 353.22(a) and 355.22(a) of the regulations, an interested party as defined by section 353.2(k) may request in writing that the Secretary conduct an administrative review. The Department has changed its requirements for requesting reviews for countervailing duty orders. Pursuant to 19 C.F.R. 355.22(a) of the Department's Interim Regulations (60 FR 25137 (May 11, 1995)), an interested party must specify the individual producers or exporters covered by the order for which they are requesting a review. Therefore, for both antidumping and countervailing duty reviews, the interested party must specify for which individual producers or exporters covered by an antidumping finding or an antidumping or countervailing duty order it is requesting a review, and the requesting party must state why it desires the Secretary to review those particular producers or exporters. If the interested party intends for the Secretary to review sales of merchandise by an exporter (or a producer if that producer also exports merchandise from other suppliers) which were produced in more than one country of origin, and each country of origin is subject to a separate order, then the interested party must state specifically, on an order-by-order basis, which exporter(s) the request is intended to cover.

Seven copies of the request should be submitted to the Assistant Secretary for Import Administration, International Trade Administration, Room B–099, U.S. Department of Commerce, 14th Street & Constitution Avenue, N.W., Washington, D.C. 20230. The Department also asks parties to serve a copy of their requests to the Office of Antidumping Compliance, Attention: Pamela Woods, in room 3065 of the main Commerce Building. Further, in accordance with section 353.31(g) or 355.31(g) of the regulations, a copy of each request must be served on every party on the Department's service list.

The Department will publish in the Federal Register a notice of ''Initiation of Antidumping (Countervailing) Duty Administrative Review,'' for requests received by the last day of June 1996. If the Department does not receive, by the last day of June 1996, a request for review of entries covered by an order or finding listed in this notice and for the period identified above, the Department will instruct the Customs Service to assess antidumping or countervailing duties on those entries at a rate equal to the cash deposit of (or bond for) estimated antidumping or countervailing duties required on those entries at the time of entry, or withdrawal from warehouse, for consumption and to continue to collect the cash deposit previously ordered.

This notice is not required by statute, but is published as a service to the international trading community.

Dated: May 30, 1996.

Joseph A. Spetrini,

Deputy Assistant Secretary for Compliance.

[FR Doc. 96–14311 Filed 6–5–96; 8:45 am]

BILLING CODE 3510–DS–P–M

[C–508–605]

Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews

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

ACTION: Notice of Final Results of Countervailing Duty Administrative Reviews.

SUMMARY: On March 4, 1996, the Department of Commerce (the Department) published in the Federal Register its preliminary results of two administrative reviews of the countervailing duty order on industrial phosphoric acid from Israel. The reviews cover the periods January 1, 1992 through December 31, 1992 and January 1, 1993 through December 31, 1993. We have completed these reviews and determine the net subsidy to be 3.84 *ad valorem* for all companies for the period January 1, 1992 through December 31, 1992, and 5.49 percent *ad valorem* for all companies for the period January 1, 1993 through December 31, 1993. We will instruct the U.S. Customs Service to assess countervailing duties as indicated above.

EFFECTIVE DATE: June 6, 1996.

FOR FURTHER INFORMATION CONTACT: Brian Albright or Cameron Cardozo, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On March 4, 1996, the Department published in the Federal Register (61 FR 8255) the preliminary results of two administrative reviews of the countervailing duty order on industrial phosphoric acid from Israel. The Department has now completed these administrative reviews in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

We invited interested parties to comment on the preliminary results. On April 2, 1996, case briefs were submitted by the Government of Israel (GOI) and Rotem Amfert Negev Ltd. (Rotem), a producer of the subject merchandise that exported industrial phosphoric acid to the United States during the 1992 and 1993 review periods (respondents), and FMC Corporation and Monsanto Company (petitioners). On April 9, 1996, rebuttal briefs were submitted by the respondents and petitioners.

The reviews cover the periods January 1, 1992 through December 31, 1992 and January 1, 1993 through December 31, 1993. Each review covers one manufacturer/exporter of the subject merchandise, Rotem, which accounts for all of the exports of subject merchandise from Israel to the United States during the review periods, and ten programs.

Applicable Statute and Regulations

The Department is conducting these administrative reviews in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute and to the Department's regulations are in reference to the provisions as they existed on December 31, 1994. However, references to the Department's *Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments,* 54 FR 23366 (May 31, 1989) (*1989 Proposed Regulations*), are provided solely for further explanation of the Department's countervailing duty practice. Although the Department has withdrawn the particular rulemaking proceeding pursuant to which the *1989 Proposed Regulations* were issued, the subject matter of these regulations is being considered in connection with an ongoing rulemaking proceeding which, among other things, is intended to conform the Department's regulations to the Uruguay Round Agreements Act. *See Advance Notice of Proposed Rulemaking and Request for Public Comments,* 60 FR 80 (January 3, 1995); *Antidumping Duties, Countervailing Duties: Notice of Proposed Rulemaking and Request for Public Comments,* 61 FR 7308 (February 27, 1996).

Scope of Review

Imports covered by these reviews are shipments of industrial phosphoric acid (IPA) from Israel. Such merchandise is classifiable under item number 2809.20.00 of the *Harmonized Tariff Schedule* (HTS). The HTS item number is provided for convenience and Customs purposes. The written description remains dispositive.

Calculation Methodology for Assessment and Cash Deposit Purposes

Because Rotem is the only manufacturer/exporter of the subject merchandise to the United States, Rotem's net subsidy rate is also the country-wide rate.

Privatization

Previously, we have found that a private party purchasing all or part of a government-owned company can repay prior non-recurring subsidies on behalf of the company as part or all of the sales price. Accordingly, in the preliminary results, we calculated a ratio representing the amount of subsidies remaining with Rotem after each partial privatization in 1992 and 1993. To calculate the benefit provided to Rotem in 1992 and 1993, we multiplied the benefit calculated for Encouragement of Capital Investment Law grants (the only non-recurring allocable subsidies) for each period by the ratio representing the amount of subsidies remaining with Rotem after the partial privatization. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to reconsider our methodology from the preliminary results.

Analysis of Programs

Based upon our analysis of the questionnaire response, verification, and written comments from the interested parties we determine the following:

I. Programs Conferring Subsidies

A. Encouragement of Capital Investments Law (ECIL) Grants

In the preliminary results, we found that this program conferred countervailable benefits on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to reconsider our findings in the preliminary results. On this basis, the net subsidy for this program is 3.82 percent *ad valorem* for 1992 and 5.47 percent *ad valorem* for 1993.

B. Long-term Industrial Development Loans

In the preliminary results, we found that this program conferred countervailable benefits on the subject merchandise. We received no comments on our preliminary results and our findings remain unchanged in these final results. On this basis, the net subsidy for this program is 0.01 percent *ad valorem* for 1992 and less than 0.005 percent *ad valorem* for 1993.

C. Exchange Rate Risk Insurance Scheme

In the preliminary results, we found that this program conferred countervailable benefits on the subject merchandise. Our analysis of the comments submitted by the interested parties, summarized below, has not led us to reconsider our findings in the preliminary results. On this basis, the net subsidy for this program is zero for 1992 and 0.02 percent ad valorem for 1993.

D. Encouragement of Industrial Research and Development Grants (EIRD)

In the preliminary results, we found that this program conferred countervailable benefits on the subject merchandise for the 1992 review period. We received no comments on our preliminary results and our findings remain unchanged in these final results.

On this basis, the net subsidy for this program is less than 0.005 percent *ad valorem* for 1992.

II. Program Not Conferring Subsidies

Law for the Encouragement of the Business Sector (Absorption of Workers)

In the preliminary results, we found that this program did not confer countervailable benefits on the subject merchandise. Since we received no comments on our preliminary results, our findings remain unchanged in these final results.

III. Programs Found Not To Be Used

We determine that Rotem did not apply for or receive benefits under the following programs during the 1992 and 1993 review periods:

A. Reduced Tax Rates under ECIL;
B. ECIL Section 24 Loans:
C. Preferential Accelerated Depreciation under ECIL;
D. Labor Training Grants; and
E. Dividends and Interest Tax Benefits under Section 46 of the ECIL.

Analysis of Comments

Comment 1: Petitioners argue that the Department was incorrect in treating a portion of the price paid by the public for shares in Israel Chemicals Ltd. (ICL), the parent company of Rotem Fertilizers, Ltd., as partial repayment of prior non-recurring subsidies. According to the petitioners, Rotem clearly received subsidies that are actionable under U.S. countervailing duty law, and nothing happened in the partial privatizations that in any way reduced or diminished those subsidies. Rotem was the same company after the partial privatization of ICL; the only change that occurred as a result of privatization was in the makeup of the shareholders of ICL.

To support their argument, petitioners point out that the Court of International Trade (CIT) recently ruled on privatization accomplished through the sale of stock. In *British Steel PLC* v. *United States*, 879 F.Supp. 1254, 1277 (1995) (*British Steel*), the CIT stated that ''* * * when a bona fide purchaser in an arm's length transaction buys all or some of the stock of a government-owned corporation, none of the subsidy is repaid by that purchase.'' Under the CIT's analysis in *British Steel*, state petitioners, there clearly should be no reduction in prior subsidies paid to Rotem as a result of the so-called partial privatization.

Petitioners continue that the Department's justification for treating a part of the price paid for government shares in a privatization as a repayment of prior subsidies is based in large part on the ''theory,'' elaborated upon in the *Final Countervailing Duty Determination; Certain Steel Products from Austria*, 58 FR 37262 (July 9, 1993) (*General Issues Appendix*), that the new private shareholders will operate the newly privatized company differently from the way in which the government operated the old ''subsidized'' company. Much of this rationale is, in petitioners' view, highly speculative. Whatever factors motivated private parties to invest in ICL, those parties have no ability to change or affect the management or business operations of ICL, since the GOI still owns 75 percent of the outstanding shares and maintains absolute authority over fundamental corporate decisions. In conclusion, the Department should make no adjustment for any so-called subsidy ''repayments.''

In rebuttal, the respondents state that the Department's repayment methodology was upheld in a recent decision by the Court of Appeals for the Federal Circuit (CAFC) in *Saarstahl* v. *United States*, Slip Op. 94–1457, –1475 (Fed. Cir., March 12, 1996). The CAFC observed that, ''in the absence of explicit mandates [from Congress], Commerce's approach must be accorded deference.'' Also, according to respondents, the petitioners'' reliance on *British Steel* to support their position is misplaced. To the extent that one judge on the CIT may disagree with the Department's repayment methodology, that disagreement is overridden by the CAFC's ruling in *Saarstahl*, which affirmed the Department's repayment methodology. As a result, according to respondents, the petitioners' arguments should be disregarded.

Department's Position: We disagree with petitioners. The Department's position on privatization was recently upheld by the CAFC in its *Saarstahl* decision, where the court affirmed the Department's position that privatization does not as a matter of law extinguish prior subsidies. We are also not deferring to the CIT's decision in *British Steel* because it does not represent a final and conclusive court decision and may yet be appealed. Moreover, neither the CAFC nor the CIT specifically addressed the issue of the Department's repayment methodology. Accordingly, we are following our privatization and repayment methodology outlined in the *General Issues Appendix*.

Comment 2: The respondents state that the Department calculated separate ''shares of subsidies remaining after privatization'' for 1992 and 1993 and then applied those separate calculations to each year's subsidies. Thus, for 1992, the Department multiplied the ECIL grants by 94.55 percent and for 1993, by 98.80 percent. Respondents believe that this method overstates the share of subsidies remaining after privatization for 1993. The percentages should be applied cumulatively, not separately. Accordingly, state respondents, the effect of privatization is cumulative. For 1993, therefore, the share of subsidies remaining should be 98.90 x 94.55, or 92.73 percent. Thus, the Department should use 92.73 percent to calculate the share of subsidies remaining.

Department's Position: In our calculations of the subsidies remaining after the 1993 privatization, we have taken into account the reduction of subsidies which occurred as the result of the 1992 privatization. We first multiplied each allocated non-recurring subsidy amount by 94.55 percent, the percentage of subsidies remaining after the 1992 privatization. These adjusted grant amounts were summed for the 1993 period, and multiplied by 98.80 percent, which is the share of subsidies remaining after the 1993 privatization. As a result, the Department properly accounted for both the 1992 and 1993 repayment of subsidies as a result of privatization.

Comment 3: The respondents state that the Department did not take into account the depreciation of the shekel in its calculation of the benefit from the ECIL grants. Since Rotem keeps its records in dollar terms (the grants are issued in shekels), the respondents argue that the calculation should take the erosion of the shekel into account. According to the respondents, the calculation should include the portion of principal allocated to a particular year plus dollar-linkage differences on that principal from the date the grant was received. Otherwise, the respondents conclude that the Department's methodology overstates the benefits from the grants. Finally, to avoid double-counting the portion of benefit derived from the dollar-linkage, which has already been accounted for according to the present formula, this methodology should apply only to grants from 1993 forward.

The petitioners contend that the respondents' argument ignores the Department's long-standing practice of not reevaluating its allocation of non-recurring subsidies over time based upon subsequent events. Depreciation (or, for that matter, appreciation) of the Israeli shekel is clearly one of the kinds of ''subsequent events in the marketplace'' that should not be taken into account in determining and allocating the net subsidy received by Rotem from non-recurring grants. Accordingly, petitioners state that

Rotem's so-called ''linkage'' argument must be rejected.

Department's Position: We disagree with respondents. Rotem received the ECIL grants in shekels and the Department appropriately allocated the grant amounts to the review periods according to our variable rate grant methodology, which accounted for the hyperinflation rates that existed in Israel when some of the grants were provided. *See Final Affirmative Countervailing Duty Determination: Certain Carbon Steel Butt-Weld Pipe Fittings from Israel,* 60 FR 10569 (February 27, 1995). The fact that Rotem records the grant values in their books in dollars is irrelevant. As we explained in the *General Issues Appendix* at 37,263, ''the countervailable subsidy (and the amount of the subsidy to be allocated over time) is fixed at the time the government provides the subsidy.'' We continued that ''the statute does not permit the amount of the subsidy, including the allocated subsidy stream, to be reevaluated based upon subsequent events in the marketplace.'' *Id.* As a result, we cannot alter our grant allocations based on the fluctuations in the value of the shekel against the U.S. dollar.

Comment 4: Respondents argue that the Department's calculation methodology ignores the fact that Rotem's fixed assets are reduced for tax purposes by the value of the grants. Thus, respondents argue, because the true value of the grants is eroded by a concomitant tax increase, the grant benefit should be reduced by 36 percent, the current tax rate.

Petitioners argue that the tax impact of the subsidy received by Rotem is irrelevant and that Rotem's argument to have the tax impact considered is flawed because it seeks to have the Department consider subsequent economic events. Petitioners state that the critical factor in countervailing duty law is not subsequent economic impact or continuing competitive benefit, but rather the receipt of a subsidy. Therefore, petitioners argue, the tax effect should not be considered.

Department's Position: We disagree with respondents. In calculating the amount of a countervailable benefit, the Department's long-standing practice is to ignore the secondary tax consequences of the benefit. *See* § 355.46(b) of the *1989 Proposed Regulations. See also, e.g., Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Belgium,* 58 FR 37273 (July 9, 1993), and, *Final Affirmative Countervailing Duty Determination; Fresh and Chilled Atlantic Salmon from Norway,* 56 FR 7678 (February 25, 1991). Thus, the tax effect of the grants received by Rotem is not pertinent to the Department's calculation of the benefit.

Comment 5: Respondents argue that the Department's rounding of the countervailing duty rates in the 1992 and 1993 reviews is either inconsistent or incorrect. Rotem's rate for 1992, 3.84 percent, is rounded to two decimal places. In contrast, Rotem's rate for 1993, 5.50 percent, is either rounded to only one decimal place, or incorrectly rounded to two decimal places from 5.494 percent. Therefore, respondents argue that the Department change either the 1992 rate to 3.8 percent, or the 1993 rate to 5.49 percent.

Department's Position: We agree with the respondents. We have now accurately rounded the rate for the 1993 review to be 5.49 percent.

Comment 6: Respondents argue that the benefit rate from the Exchange Rate Risk Insurance Scheme (EIS) should not be included in the cash deposit rate because the program was terminated in 1993. Respondents point to information submitted by the GOI in the questionnaire response demonstrating that the EIS was terminated in 1993.

Petitioners rebut that Rotem's receipt of residual EIS benefits will depend on such variables as the date of export shipment, the date of delivery, the date of payment, and the length of time necessary for EIS processing and payment. According to petitioners, in view of these uncertainties, which preclude the determination of a fixed date for the actual termination of EIS benefits to Rotem, the Department should continue to include EIS benefits in the cash deposit rate.

Department's Position: The Department's practice, as outlined in section 355.50(d)(1)(2) of the *1989 Proposed Regulations*, is not to adjust the cash deposit rate when it determines that residual benefits may continue to be bestowed under a terminated program. The Department noted in the 1991 review of IPA from Israel that the EIS was terminated in 1993. *See Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Review,* 59 FR 5176 (February 3, 1994). In that review, we included the rate from the EIS in the cash deposit rate because residual benefits continued to be available. The Department has verified that the GOI will continue to honor outstanding claims as long as they are made within three years of the date of export. *See, Final Affirmative Countervailing Duty Determination: Certain Carbon Steel Butt-Weld Pipe Fittings from Israel,* 60 FR 10573 (February 27, 1995). Therefore, because residual benefits continue to be available under this program, we have not adjusted the cash deposit rate.

Final Results of Review

For the period January 1, 1992 through December 31, 1992, we determine the net subsidy to be 3.84 percent *ad valorem* for all firms. For the period January 1, 1993 through December 31, 1993, we determine the net subsidy to be 5.49 percent *ad valorem* for all firms.

The Department will instruct the U.S. Customs Service to assess the following countervailing duties:

Manufacturer/exporter	Period	Rate
All companies ...	1992	3.84
All companies ...	1993	5.49

The Department will also instruct the U.S. Customs Service to collect a cash deposit of estimated countervailing duties, as provided by section 751(a)(1) of the Act, of 5.49 percent of the f.o.b. invoice price on all shipments of the subject merchandise from Israel entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 355.34(d). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.22.

Dated: May 23, 1996.

Paul L. Joffe,

Acting Assistant Secretary for Import Administration.

[FR Doc. 96–14155 Filed 6–5–96; 8:45 am]

BILLING CODE 3510–DS–P