antidumping duty order on brass sheet and strip from Germany for the period August 22, 1986 through February 29, 1988, *amended by* 57 FR 276, January 3, 1992 (*Brass 1*). We reviewed imports of Weiland-Werke AG and its wholly owned subsidiaries, Langenberg Kupfer- und Messingwerke GmbH KG and Metallwerke Schwarzwald GmbH (collectively, the Wieland Group). Subsequently, a domestic producer, Hussey Copper, Ltd., challenged the final results. In the course of the litigation, the CIT issued a number of orders and opinions of which the following have resulted in changes to the antidumping margins initially calculated in *Brass 1: Hussey Copper Ltd. et al.* v. *United States,* Consol. Ct. No. 91–12–00919, Slip Op. 93–179 dated September 10, 1993, Slip Op. 94–81 dated May 16, 1994, and Slip Op. 95–145 dated August 11, 1995.

Specifically, the CIT ordered the Department, inter alia,: (1) to determine the most similar home market (HM) merchandise based upon physical characteristics and to make any adjustments, including those for production costs, after selection of the most similar HM products; (2) to match specific-alloy United States sales with specific-alloy HM sales; (3) to match United States sales with contemporaneous HM sales involving the same alloy and correct any coding errors.

On February 13, 1997, the CIT affirmed the final remand results of the Department for the above-cited case (Slip Op. 97–25) and ordered this case dismissed.

No party appealed this decision to the U.S. Court of Appeals for the Federal Circuit. As there is now a final and conclusive court decision in this action, we are amending our final results of review in this matter and we will subsequently instruct the U.S. Customs Service to liquidate the appropriate entries.

Amendment To Final Determination

Pursuant to 19 U.S.C. 1516a(e), we are now amending the final results of administrative review of the antidumping duty order on brass sheet and strip from Germany for the period August 22, 1986 through February 29, 1988. The revised weighted-average dumping margin for the Wieland Group is 14.65 percent.

Accordingly, the Department will determine and the Customs Service will assess appropriate antidumping duties on entries of the subject merchandise made by firms covered by this review of the period August 22, 1986 through February 29, 1988. Individual differences between United States price and foreign market value may vary from the percentage listed above. The Department will issue appraisement instructions directly to the Customs Service.

Dated: July 10, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–18869 Filed 7–16–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–826, A–428–822, A–274–802, and A–307–813]

Notice of Postponement of Preliminary Antidumping Duty Determinations: Steel Wire Rod From Canada, Germany, Trinidad and Tobago, and Venezuela

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

EFFECTIVE DATE: July 17, 1997.

FOR FURTHER INFORMATION CONTACT: Alexander Braier (Canada and Trinidad and Tobago), at (202) 482–3818; Judith Wey Rudman (Germany), at (202) 482–0192; or David J. Goldberger (Venezuela), at (202) 482–4136, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

POSTPONEMENT OF PRELIMINARY DETERMINATIONS: On March 18, 1997, the Department of Commerce (the Department) initiated antidumping duty investigations of imports of steel wire rod from Canada, Germany, Trinidad and Tobago, and Venezuela (62 FR 13854, March 24, 1997). The notice of initiation stated that unless extended, we would issue our preliminary determinations not later than August 5, 1997.

On July 3, 1997, petitioners, Connecticut Steel Corp., Co-Steel Raritan, GS Industries, Inc., Keystone Steel & Wire Co., North Star Steel Texas, Inc., and Northwestern Steel & Wire Co., made a timely request for a postponement of the preliminary determinations in these investigations to 190 days after initiation, or September 24, 1997. This request was made pursuant to section 733(c)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 353.15(c) of the Department's regulations. Petitioners requested a postponement to ensure that the Department has adequate time to analyze the responses in these complex investigations. Therefore, for the reasons identified by the petitioners and absent any compelling reasons to deny the request, the Department is postponing the date of the preliminary determinations in these investigations until no later than September 24, 1997.

This notice is published pursuant to section 733(c)(2) of the Act, and 19 CFR 353.15(d).

Dated: July 11, 1997.

Jeffrey P. Bialos,

Principal Deputy Assistant Secretary for Import Administration.

[FR Doc. 97–18870 Filed 7–16–97; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–357–005]

Cold-Rolled Carbon Steel Flat-Rolled Products From Argentina; Preliminary Results of Countervailing Duty Administrative Review

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

ACTION: Notice of preliminary results of countervailing duty administrative review.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on cold-rolled carbon steel flat-rolled products from Argentina. For information on the net subsidy, see the Preliminary Results of Review section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as indicated in the Preliminary Results of Review section of this notice. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: July 17, 1997.

FOR FURTHER INFORMATION CONTACT: Richard Herring, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–2786.

SUPPLEMENTARY INFORMATION:

Background

On April 26, 1984, the Department published in the **Federal Register** (49 FR 18006) the countervailing duty order

on cold-rolled carbon steel flat-rolled products from Argentina. On May 6, 1992, the Department published a notice of ''Opportunity to Request an Administrative Review'' (57 FR 19412) of this countervailing duty order. We received a timely request for review from U.S. Steel Group, a unit of USX Corporation.

We initiated the review, covering the period January 1, 1991 through December 31, 1991, on June 18, 1992 (57 FR 27212). The review covers two producers/exporters of the subject merchandise, Sociedad Mixta Siderurgica Argentina (SOMISA) and Propulsora Siderurgica, S.A.I.C. (Propulsora), which account for all exports of the subject merchandise from Argentina, and 20 programs.

On September 17, 1993, petitioners brought timely new allegations to the Department concerning the provision of tax concessions and preferential natural gas and electricity tariff rates to steel producers. Petitioners cited alleged tax concessions provided to the steel industry under Paragraph 8 of the April 11, 1991 Steel Agreement between the Government of Argentina (GOA) and Argentine steel producers, and preferential natural gas and electricity rates provided under Paragraph 6 of the Steel Agreement. On November 15, 1993, the Department requested information from the GOA on these alleged subsidy programs.

On January 1, 1995, the effective date of the Uruguay Round Agreements Act of 1994 (the URAA), certain countervailing duty orders involving World Trade Organization (WTO) signatories which had been issued without an injury determination by the International Trade Commission (ITC) became entitled to an ITC injury determination under section 753 of the URAA. The order on cold-rolled carbon steel flat-rolled products did not receive an ITC injury investigation and Argentina was a member of the WTO. On May 26, 1995, the Department published a notice allowing domestic parties an opportunity to seek an injury test regarding this and other countervailing duty orders. See Countervailing Duty Order; Opportunity to Request a Section 753 Injury Investigation, 60 FR 27963. For this order on cold-rolled carbon steel flat-rolled products from Argentina, no domestic interested parties requested an injury investigation. As such, the ITC made a negative injury determination with respect to this order, pursuant to section 753(b)(4) of the URAA. Thus, the Department revoked this countervailing duty order, effective January 1, 1995, pursuant to section 753(b)(3)(B) of the URAA. See, Revocation of Countervailing Duty Orders, 60 FR 40568 (August 9, 1995).

The Ceramica Decision by the Court of Appeals for the Federal Circuit

On September 6, 1995, the Court of Appeals for the Federal Circuit, in a case involving imports of Mexican ceramic tile, ruled that, absent an injury determination by the ITC, the Department may not assess countervailing duties under 19 USC 1303(a)(1) (1988, repealed 1994) on entries of dutiable merchandise after April 23, 1985, the date Mexico became ''a country under the Agreement.'' *Ceramica Regiomontana S.A.* v. *U.S.*, 64 F.3d 1579 (Fed. Cir., 1995) (Ceramica).

Argentina attained the status of ''a country under the Agreement'' on September 20, 1991. Therefore, in consideration of the Ceramica decision, the Department, on April 2, 1996, initiated changed circumstances administrative reviews of the countervailing duty orders on Leather, Wool, Oil Country Tubular Goods (OCTG), and Cold-Rolled Carbon Steel Flat-Rolled Products (Cold-Rolled Steel) from Argentina, which were in effect when Argentina became a country under the Agreement. See Initiation of Changed Circumstances Countervailing Duty Administrative Reviews: Leather from Argentina, Wool from Argentina, Oil Country Tubular Goods from Argentina, and Cold-Rolled Carbon Steel Flat Products from Argentina, 61 FR 14553 (April 2, 1996). These reviews focused on the legal effect, if any, of Argentina's status as a ''country under the Agreement,'' and whether the Department has the authority to assess countervailing duties on these orders. Because we had ongoing administrative reviews of the orders on OCTG and Cold-Rolled Steel that covered review periods on or after September 20, 1991, we also had to determine whether the Department had the authority to assess countervailing duties on unliquidated entries of subject merchandise occurring on or after September 20, 1991, when Argentina became a ''country under the Agreement'' and before January 1, 1995, the date that Argentina became a ''Subsidies Agreement country'' within the meaning of section 701(b) of the URAA.

On April 29, 1997, the Department determined that it lacked the authority to assess countervailing duties on entries of OCTG and Cold-Rolled Steel from Argentina made on or after September 20, 1991 and before January 1, 1995 (62 FR 24639; May 6, 1997). As a result, we terminated the pending administrative reviews of the countervailing duty order on OCTG covering 1992, 1993, and 1994, as well as the pending administrative reviews of the countervailing duty order on Cold-Rolled Steel covering 1992 and 1993.

However, because the 1991 review covers a period before Argentina became a ''country under the Agreement,'' we must continue the 1991 administrative review to determine the amount of countervailing duties to be assessed on entries made between January 1, 1991 and September 19, 1991. Entries of subject merchandise made on or after September 20, 1991 will be liquidated without regard to countervailing duties.

Applicable Statute

The Department is conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Unless otherwise indicated, all citations to the statute are in reference to the provisions as they existed on December 31, 1994.

Scope of the Review

Imports covered by the review are shipments of Argentine cold-rolled carbon steel flat-rolled products, whether or not corrugated or crimped; whether or not painted or varnished and whether or not pickled; not cut, not pressed, and not stamped to non-rectangular shape; not coated or plated with metal; over 12 inches in width and under 0.1875 inches in thickness whether or not in coils; as currently provided for under the following item numbers of the Harmonized Tariff Schedule (HTS):

7209.11.00, 7209.12.00, 7209.13.00, 7209.14.00, 7209.21.00, 7209.22.00, 7209.23.00, 7209.24.00, 7209.31.00, 7209.32.00, 7209.33.00, 7209.34.00, 7209.41.00, 7209.42.00, 7209.43.00, 7209.44.00, 7209.90.00, 7210.70.00, 7211.30.50, 7211.41.70, 7211.49.50, 7211.90.00, 7212.40.50

The HTS item numbers are provided for convenience and Customs purposes. The written description remains dispositive.

Calculation Methodology for Assessment and Cash Deposit Purposes

We calculated the net subsidy on a country-wide basis by first calculating the subsidy rate for each company subject to the administrative review. We then weight-averaged the rates received by each company using as the weight each companies share of total Argentine exports to the United States of subject merchandise, including all companies, even those with *de minimis* and zero rates. We then summed the weight-averaged rates to determine the subsidy rate from all programs benefitting

exports of subject merchandise to the United States.

Since the country-wide rate calculated using this methodology was above *de minimis*, as defined by 19 CFR § 355.7 (1994), we proceeded to the next step and examined the net subsidy rate calculated for each company to determine whether individual company rates differed significantly from the weighted-average country-wide rate, pursuant to 19 CFR § 355.22(d)(3). Propulsora had a significantly different net subsidy rate during the review period pursuant to 19 CFR § 355.22(d)(3). Therefore, this company is treated separately for assessment purposes. All other companies are assigned the country-wide rate.

Analysis of Programs

I. Programs Conferring Subsidies

A. Programs Previously Determined to Confer Subsidies

1. Rebate of Indirect Taxes (Reembolso/ Reintegro)

The Reembolso program provides a cumulative rebate of indirect taxes paid upon export and is calculated as a percentage of the f.o.b. invoice price of the exported merchandise. The Department will find that the entire amount of any such rebate is countervailable unless the following conditions are met: (1) The program operates for the purpose of rebating prior stage cumulative indirect taxes and/or import charges; (2) the government accurately ascertained the level of the rebate; and (3) the government reexamines its schedules periodically to reflect the amount of actual indirect taxes and/or import charges paid. In prior investigations and administrative reviews of the Argentine Reembolso program, the Department determined that these conditions have been met, and, as such, the entire amount of the rebate has not been countervailed (see, e.g., Cold Rolled Carbon Steel Flat-rolled Products from Argentina, Final Results of Countervailing Duty Administrative Review (56 FR 28527; June 21, 1991); Oil Country Tubular Goods from Argentina, Final Results of Countervailing Duty Administrative Review (56 FR 64493; December 10, 1991).

However, once a rebate program meets this threshold, the Department must still determine in each case whether there is an overrebate; that is, the Department must still analyze whether the rebate exceeds the total amount of indirect taxes and import duties borne by inputs that are physically incorporated into the exported product. If the rebate exceeds the amount of allowable indirect taxes and import duties on physically incorporated inputs, the Department will find a countervailable benefit equal to the difference between the Reembolso rebate rate and the allowable rate determined by the Department (*i.e.*, the overrebate).

To determine whether there was an overrebate during the review period, the Department requested the GOA to provide information on any changes to the Reembolso program for cold-rolled steel. According to the information provided, the program continued to be governed by Decree 1555/86, which modified the Reembolso program and set precise guidelines to implement the refund of indirect taxes and import charges. The decree established three broad rebate levels covering all products and industry sectors. The rates for levels I, II and III were 10 percent, 12.5 percent, and 15 percent, respectively. Based on the GOA's 1986 calculation of the tax incidence in the cold-rolled carbon steel industry, this industry was classified in level I.

In April 1989, the GOA suspended cash payment of rebates under the Reembolso program. Pursuant to the Emergency Economic Law dated September 25, 1989 (Law 23,697), the suspension of cash payments was continued for an additional 180 days. Rebates accrued during the suspension period were to be paid in export credit bonds. On March 4, 1990, the entire program was suspended for 90 days by Decree 435/90. Decree 1930/90 suspended payments of the reembolso for an additional 12-month period.

Decree 612/91 dated April 10, 1991, reinstated cash payments of the indirect tax rebates and import charges and reduced the rate for the cold-rolled carbon steel industry from 10 percent to 6.7 percent. Therefore, during the period of review, rebates were suspended from January through April 10, 1991, and the rebate rate was 6.7 percent from April 11 through December 31, 1991.

Using the information provided in the questionnaire response, we calculated the allowable tax incidence for the subject merchandise based on an updated study which SOMISA provided to the GOA in 1991. We found that the rebate of taxes did not exceed the total amount of allowable cumulative indirect taxes and/or import charges paid on physically incorporated inputs, and prior stage indirect taxes levied on the exported product at the final stage of production. Therefore, we preliminarily determine that there was no benefit from this program during the review period.

2. Equity Infusions

In our final determination in the investigation (see Certain Cold-Rolled Carbon Steel Flat-Rolled Products from Argentina; Final Affirmative Countervailing Duty Determination and Countervailing Duty Order (49 FR 18006; 1984), we found that the GOA provided a series of countervailable equity infusions to SOMISA under Decree 2887/78. This decree authorized government reimbursement of debt expenditure, including payment of interest, commissions and other fees, in exchange for equity in SOMISA. SOMISA was also found to be unequityworthy from 1978 through 1983.

In our Final Results for the 1987 review (see Certain Cold-Rolled Carbon Steel Flat-Rolled Products from Argentina; Final Results of Countervailing Duty Administrative Review (56 FR 120; June 21, 1991), we found that the Argentine Treasury continued to provide equity infusions to SOMISA from 1984 through 1987 pursuant to Decree 2887/78, and that SOMISA continued to be unequityworthy throughout this period. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this determination.

We have reviewed SOMISA's financial statements for the years 1988 through 1990, and have determined that the Argentine Treasury provided additional equity infusions pursuant to Decree 2887/78 through 1990. In order to determine whether SOMISA was equityworthy during this period, we applied the analysis described in the General Issues Appendix attached to the Final Affirmative Countervailing Duty Determination: Certain Steel Products From Austria (GIA) (58 FR 37225; July 9, 1993). The results of this analysis have been filed on the official record of this review. See Memorandum to Barbara E. Tillman, Director Office of CVD/AD Enforcement VI, Regarding Certain Cold-Rolled Carbon Steel Flat-Rolled Products from Argentina: Equityworthiness of Somisa During 1988, 1989 and 1990 dated April 4, 1997 on file in the Central Records Unit, Room B099 of the Main Commerce Building. Based on this evaluation of the financial statements, SOMISA continued to be unequityworthy throughout this period.

We have determined that these equity infusions are nonrecurring benefits and have allocated them over time. See GIA (58 FR 37226–27). Also, consistent with

our equity methodology as stated in the GIA at 58 FR 27239–44, we have treated these infusions as grants in order to determine the subsidy conferred from these infusions. The benefit from each of the equity infusions was then calculated using the declining balance methodology as described in the GIA at 58 FR 37227, and used in prior investigations and reviews.

In addition, consistent with the prior administrative review of this order, we have converted the equity infusions into U.S. dollars because of the periods of hyperinflation in Argentina and the changes in the Argentine currency during this time period. This methodology has also been used in other countries where hyperinflation and changes in currency were an issue. See, e.g., Final Affirmative Countervailing Duty Determination: Certain Steel Products from Brazil, 58 FR 37295 (July 9, 1993). Because we have converted the equity infusions into dollars to account for hyperinflation and changes in national currency, we must use a long-term discount rate in dollars. For our discount rates, we have used the interest rates for long-term U.S. dollar lending in Argentina for private creditors as published in the World Bank Debt Tables: External Debt of Developing Countries. Long-term U.S. dollar rates were also used from this World Bank source in Certain Steel Products from Brazil.

When this review was initiated and until recently, our allocation periods were determined by using the average useful life of a firm's renewable physical assets as set forth in the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System. Based on this IRS table, the average useful life of assets in the steel industry is 15 years. However, based on a recent decision by the Court of International Trade, we have modified our policy and we now base the allocation period on company-specific average useful life of assets (AUL). See *British Steel et al.* vs. *United States et al.*, 929 F. Supp. 426, (1996 CIT). Therefore, we provided SOMISA an opportunity to submit its company-specific AUL. SOMISA stated that due to the difficulty in calculating a company-specific AUL due to the periods of hyperinflation, it requested that the 15 year period specified in the IRS tables be used as the allocation period. In light of the periods of hyperinflation, we find that it would be unduly burdensome to require the company to submit actual AUL data. Therefore, in circumstances such as here where company-specific AUL is not reasonably available, we are basing the allocation period on the 15 year AUL listed in the IRS tax tables for this administrative review.

Using the above-described methodology, we determined the benefit to SOMISA from each of these equity infusions during the review period. We totaled these amounts to arrive at the total benefit received by SOMISA from all of these infusions during the review period. We then divided this amount by total sales during 1991 to calculate a subsidy of 1.54 percent *ad valorem* for the review period for all companies except Propulsora which had a significantly different net subsidy rate for the review period pursuant to 19 CFR 355.22(d)(3). The program-specific rate for Propulsora under this program is 0.00 percent.

B. New Program Preliminarily Found to Confer Subsidies

Regional Tariff Zones for Natural Gas

While investigating the allegation of preferential natural gas rates to the steel industry, we discovered that companies located in different regions of the country paid different prices for natural gas. During the period of review, Argentina was divided into nine tariff zones for the purposes of determining the actual price of natural gas paid by the consumer. Within each zone, a separate coefficient was established to reflect the costs of transportation of natural gas within the country. This coefficient was applied against the published tariff rates to determine the actual price of natural gas for the consumer. For example, in Zone I which covers Buenos Aires and the surrounding countryside, the coefficient was 100 percent. Therefore, a consumer of natural gas in Zone I paid 100 percent of the published tariff rate for natural gas, while in Zone IX, the coefficient was 45 percent; therefore, a consumer located in Zone IX paid 45 percent of the published tariff rate.

As noted above, these zones were established to take into account the costs of transportation of natural gas within the country. Thus, zones located further from the natural gas fields would have a higher coefficient and, therefore, would have paid a higher price for natural gas than those located closer to the natural gas fields. Propulsora was located in Zone I, therefore, it paid 100 percent of the published tariff rate, while SOMISA was located in Zone II and paid 95 percent of the published tariff rate.

These tariff zones were established during 1981 and 1982 and were based upon a study conducted by Gas del Estado (GdE), the state-owned utility company. There was no follow-up to the original study and the zones have remained consistent since that time except for some slight modifications in two of the zones. We verified this program during our concurrent 1991 administrative review of OCTG, which covered the same allegations of preferential pricing of natural gas to the steel industry. During verification, we requested to review the original study which led to the creation of the zones and the coefficients. We were informed by GdE officials that because of the age of the study and the fact that it contained only historical data, the study was no longer available. (See the report of the Verification of the Government of Argentina's Response in the 1991 Administrative Review of Oil Country Tubular Goods from Argentina (public version), which has been put in the public file for the instant review, and can be found in the Central Records Unit, Room B099 of the Main Commerce Building.)

Under longstanding Department practice, programs which provide subsidies on a regional basis are countervailable. See, e.g., Final Affirmative Countervailing Duty Determination: Fresh and Chilled Atlantic Salmon from Norway, 56 FR 7678 (February 25, 1991) and Final Affirmative Countervailing Duty Determination; Certain Fresh Atlantic Groundfish from Canada, 51 FR 10041 (March 24, 1986). Because the original study establishing the tariff zones in Argentina was done 10 years prior to our period of review, was never subsequently up-dated, and because the GOA could not document the criteria used to establish these tariff zones, we preliminarily determine that the lower rates charged in zones other than Zone I constitute regional subsidies.

Because Propulsora was located in Zone I and paid the full 100 percent of the published rate, we find that it did not benefit from this program. SOMISA was located in Zone II and paid only 95 percent of the established tariff rate for natural gas, therefore, we preliminarily determine that it received a countervailable benefit under this program. To determine the amount of the benefit received by SOMISA during this review period, we calculated the amount the company would have paid during 1991 for natural gas if it were required to pay the full 100 percent of the published natural gas tariff rates. We then deducted from this amount the amount for natural gas that it actually did pay during 1991. We then divided the difference by total sales in 1991, and calculated a subsidy of 0.30 percent ad valorem for the review period for all companies, except Propulsora which

had a significantly different net subsidy rate for the review period pursuant to 19 CFR 355.22(d)(3). The program-specific rate for Propulsora under this program is 0.00 percent.

II. Program Preliminarily Found Not to Confer Subsidies

Preferential Natural Gas Tariffs Under Resolution 192/91

At the end of 1990, Argentina was emerging from an extended period of hyperinflation. The GOA believed that deregulating and privatizing the large, state-owned utility companies would lead to price stability by introducing competition in the market. The beginning of this deregulation can be found with the passage of Decree 633. Also, within this context, the GOA entered into sectoral agreements with Argentine industries in order to secure commitments from industries that they would hold down prices charged to their customers in order to stabilize the inflation rate within the economy. In exchange for this commitment, the GOA committed itself to broad based economic reforms, including the maintenance of stable energy prices.

In early 1991, the GOA began the first steps toward deregulating the natural gas market in Argentina. Up until April 1991, the GOA set and regulated the tariff rates for natural gas in the country. Prices for natural gas could not deviate from those prices set by the Economy Minister. In April 1991, with the enactment of Decree 633, two separate markets for natural gas were created. The first market was the wholesale market which covered transactions between producers and distributors as well as between producers and large users of natural gas. The other market created by Decree 633 was the retail market which covered sales to residential and other commercial consumers. Under Decree 633, companies in the wholesale market were permitted to engage in negotiations and to enter into individual contracts for natural gas.

In April 1991, while the GOA was deregulating the prices of natural gas in the wholesale market, the GOA also began to reduce the tariff rates for natural gas in the retail market with the passage of Resolution 192/91. Resolution 192/91 established new tariff rates which were approximately 20 percent lower than the prior published rates in Resolution 29/91. The rates established under Resolution 192/91 were effective from April 1, 1991 through December 31, 1992. We were informed by the GOA during the verification of the concurrent 1991 administrative review of OCTG, that not all companies in Argentina received the reduced rates under Resolution 192/91. (See the report of the Verification of the Government of Argentina's Response in the 1991 Administrative Review of Oil Country Tubular Goods from Argentina (Public Version), which has been put in the public file for the instant review, and can be found in the Central Records Unit, Room B099 of the Main Commerce Building.) The tariff rates for natural gas in Argentina were announced in resolutions published by the Economy Minister. In order to qualify for the reduced rates, certain companies had to provide documentation to the government that they voluntarily avoided price increases and thus contributed to the avoidance of inflation and currency devaluation in the country. These companies were listed in Resolution 71/91.

By April of 1991, companies in Argentina could seek to obtain reduced natural gas prices by two means. If the company qualified as a large consumer of natural gas, it could seek to negotiate its own rate with the utility company, or it could seek to qualify for the reduced rates which were published in Resolution 192/91. Neither SOMISA nor Propulsora negotiated individual contracts for natural gas during the period. In addition, SOMISA did not qualify for the reduced tariff rates published under Resolution 192/91, and it continued to pay the higher tariff rates established under Resolution 29/91 for the rest of 1991. Propulsora did qualify for the reduced rates under Resolution 192/91 and it paid the reduced tariffs from April 1991 through December 31, 1991. Therefore, we must determine whether the reduced tariffs under Resolution 192/91 provided Propulsora with a countervailable benefit.

On March 27, 1991, the Ministry of Economy published Resolution 192/91, which set the new tariff rates for natural gas. These new rates became effective on April 1, 1991. These revised rates under Resolution 192/91 applied to both home and non-home consumption of natural gas. Under Section 4 of Resolution 192/91, the tariff rate listed in Annex V applied to businesses, official agencies, and industries. However, Section 17 of Resolution 192/91 stated that in order to be entitled to the tariff rates listed in the resolution, corporations listed in Resolution 71/91 had to submit evidence that they met the obligations listed in Resolution 71/91. Companies listed in Resolution 71/91 had to get a certification in order to qualify for the tariff rates published in Resolution 192/91. A certification meant that the company was assisting in maintaining price stability in the country by holding down prices. Companies not listed in Resolution 71/91 automatically qualified for the revised tariff rates published in Resolution 192/91.

Resolution 71/91 was published by the Ministry of Economy on February 22, 1991. In the period leading up to the publication of Resolution 71/91, there was high wholesale and retail inflation in Argentina. According to the GOA, it was, therefore, necessary to implement a policy for the domestic market to assist in price stabilization to deal with the self-perpetuating hedging based on the future expectation of inflation. In this environment, companies would raise prices in expectation of the next month's inflation. Resolution 71/91 was published in order to dampen this price escalation.

The list of companies published in Resolution 71/91 was compiled using three sources: (1) Large taxpayers as determined by the Direccion General Impositiva, the Argentine tax collection agency; (2) price setting enterprises as determined by the Commerce Secretary; and (3) companies known by the Banco Nacional de la Republica Argentina to have a significant amount of indebtedness. There were a total of 1,566 companies listed in Resolution 71/91. Companies named in this list had to provide the GOA with information that they ''voluntarily avoided price increases'' during the months of February and March 1991, thereby contributing to the avoidance of price inflation and currency devaluation.

If companies listed in Resolution 71/91 demonstrated to the government that they ''voluntarily avoided price increases,'' they were provided with a certificate from the Ministry of Economy which could be presented to GdE. With the presentation of this certificate, GdE would then allow the company to use the reduced tariff rates for natural gas published in Resolution 192/91.

Propulsora was listed in Resolution 71/91 and had to provide evidence demonstrating that it ''voluntarily avoided price increases.'' Based on the information it provided to the government, it was provided with a certification which made it eligible for the reduced tariff rates under Resolution 192/91. Effective April 1, 1991, Propulsora's natural gas tariff rates were based on those set in Resolution 192/91. SOMISA did not receive a certification and, therefore, was not eligible for the reduced tariff rates. It continued to pay the higher tariff rates from the previous tariff schedule under Resolution 29/91. In order to determine whether the tariff rates announced in Resolution 192/91

provided a countervailable benefit to Propulsora, we must first determine whether the rates provided in that resolution are limited to a specific enterprise or industry, or to a group of enterprises or industries as required under section 771(5) of the Act.

Under Resolution 192/91, all companies and businesses are automatically eligible for tariff rates set forth in this Resolution unless the company or business is listed in Resolution 71/91. Companies listed in Resolution 71/91 had to be certified by the government to qualify for the reduced tariffs in Resolution 192/91. Eighty-five percent of the companies that applied for certification for the tariffs in Resolution 192/91 (462 companies) were approved for the reduced natural gas rates. In deciding whether to approve an application, the GOA uniformly applied the criteria specified in Resolution 71/91 to each applicant.

All companies and businesses in Argentina that were not listed in Resolution 71/91, and 462 companies and businesses listed in Resolution 71/91 which received certifications paid the Resolution 192/91 tariff rate for natural gas. These companies and businesses represent virtually all industries in Argentina. Therefore, we preliminarily determine that the published tariff rates listed in Resolution 192/91 are not limited, by law, or in fact, to an enterprise or industry or to a group of enterprises or industries as required under section 771(5) of the Act. As such, we preliminarily determine the rates under Resolution 192/91 to be non-countervailable.

III. Programs Preliminarily Found Not To Be Used

We examined the following programs and preliminarily find that the producers and/or exporters of the subject merchandise did not apply for or receive benefits under these programs during the period of review:

- *Preferential Electricity Tariff Rates*

Until April 1991, the tariff rates for electricity were set by the government. On April 17, 1991, the GOA published Decree 634/91, which provided for the deregulation of the electricity industry in Argentina. This decree created two market levels for electricity in Argentina, the wholesale market and the retail market. The wholesale market was comprised of the producers, generators, and distributors of electricity as well as the large individual consumers of electricity. Under Decree 634, the producers and generators would sell electricity through a central dispatch agency. The distributors would then purchase the electricity from this central dispatch agency for delivery to the individual consumer. In order to encourage competition within the wholesale market, a large individual consumer could negotiate a contract with any utility company within the country. Although large consumers could negotiate contracts for electricity in the wholesale market, the tariff rates charged to individual consumers in the retail market were still set by the government.

During the review period, both SOMISA and Propulsora continued to purchase electricity at the published tariff rates for businesses and companies in Argentina, and they did not negotiate individual contracts with utility companies. Therefore, we preliminarily determine that this program was not used during the period of review and need not reach the issue of whether the program is otherwise countervailable.

- *Privatization Assistance Under Law 23696 and Decree 1144/92*

In 1989, the GOA embarked upon a reform program designed to restructure the economy, stabilize the currency, refinance the public debt and reduce the public sector. A central element of this program was the privatization of large public enterprises. The general privatization law, Chapter II of Law 23696, published on August 17, 1989, established procedures for the transfer of state assets to the private sector. Among other provisions, it provides that the Executive Branch may (1) decide which assets will be privatized; (2) reorganize going concerns and transfer assets and liabilities from those concerns prior to privatization; and (3) assume the debt of public enterprises undergoing privatization.

Law 23696 requires that before an entity may be privatized, the Executive Branch must declare it subject to privatization and an Act of Congress must be promulgated. SOMISA was one of twenty-six companies under the aegis of the Ministry of Defense that were declared subject to privatization on July 23, 1990. Congress ratified that declaration in Act 24045 on December 31, 1991. As stated above, Law 23696 allows the GOA to reorganize state-owned companies which are to be privatized and to also assume the debt of state-owned companies undergoing privatization. Although SOMISA was not privatized until November 1992, we must examine whether SOMISA received any countervailable benefits under this GOA program during 1991, our period of review. Propulsora is a privately-held company and, therefore, did not fall under the purview of Law 23696.

In order to qualify for the treatment of debt specified under Law 23696, a company must be partially or wholly-owned by the government, and be the subject of either privatization or liquidation. Under Law 23696, any type of liability, whether derived from labor or social security obligations, customs duties, lawsuits, contract disputes, fines or penalties, or liabilities that arose from the normal functioning of business could be assumed directly by the government. Under Law 23696, SOMISA's public sector debt acquired before April 1, 1991, was eligible for consolidation and assumption by the GOA. Although the debt acquired by SOMISA before April 1, 1991 was covered under Law 23696, the actual assumption of SOMISA's debt by the government was not authorized until 1992, under Decree 1144/92. Decree 1144/92, which was enacted July 15, 1992, also (1) canceled all of SOMISA's debt acquired from April 1, 1991 until January 1, 1992; (2) exempted SOMISA from the stamp tax and from other taxes which are imposed on the transfer of assets and land; and (3) stated that the GOA would assume SOMISA's labor-related obligations incurred prior to its privatization.

Decree 1144/92, which authorized SOMISA's debt consolidation and assumption was not enacted until after the period of review and there was no debt assumption or forgiveness during the period of review. Therefore, we preliminarily determine that SOMISA did not receive any benefits during the period of review from the debt consolidation and assumption under Law 23696, nor did it receive benefits under Decree 1144/92 during the period of review.

The following programs also were not used during the review period:

- Medium- and Long-Term Loans.
- Capital Grants.
- Income and Capital Tax Exemptions.
- Government Trade Promotion Programs.
- Exemption from Stamp Taxes Under Decree 186/74.
- Incentives for Trade (Stamp Tax Exemption Under Decree 716).
- Incentive for Export.
- Export Financing Under OPRAC 1, Circular RF–21.
- Pre-Financing of Exports Under Circular RF–153.
- Loan Guarantees.
- Post-Export Financing Under OPRAC 1–9.
- Debt Forgiveness.

• Tax Deduction Under Decree 173/85.

IV. Program Preliminarily Found Not to Exist

1. Tax Concessions for the Steel Industry

Petitioners alleged that, under Paragraph 8 of the April 11, 1991 Steel Agreement between the GOA and Argentine steel producers, the GOA provides the steel industry with tax concessions. According to the response of the GOA, Paragraph 8 of the Steel Agreement does not provide tax concessions to the steel industry but merely states that the industry's Reembolso level will be studied taking into account the tax incidence of steel producers. For information on the Reembolso/Reintegro program, *see* the section ''Rebate of Indirect Taxes,'' above. Therefore, we preliminarily determine that there were no new tax concessions provided to the steel industry under the Steel Agreement.

Preliminary Results of Review

For the period January 1, 1991 through December 31, 1991, we preliminarily determine the net subsidy to be 0.00 percent *ad valorem* for Propulsora and 1.84 percent *ad valorem* for all other companies.

If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service to assess the following countervailing duties:

Manufacturer/exporter	Rate (percent)
Propulsora	0.00
All Other Companies	1.84

The Department also intends to instruct the U.S. Customs Service to assess these countervailing duties on entries of the subject merchandise covered by this administrative review for the period January 1, 1991 through September 19, 1991, and to liquidate all entries made on or after September 20, 1991, without regard to countervailing duties. This countervailing duty order was revoked effective January 1, 1995. As such, no further instructions will be sent to Customs regarding cash deposits.

Parties to the proceeding may request disclosure of the calculation methodology and interested parties may request a hearing no later than 10 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case brief. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. Any hearing, if requested, will be held seven days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 355.38(e).

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under section 355.38(c), are due.

The Department will publish the final results of this administrative review including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

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: July 10, 1997.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

[FR Doc. 97–18871 Filed 7–16–97; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 062597B]

Taking and Importing of Marine Mammals; Offshore Seismic Activities in the Beaufort Sea

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of issuance of an incidental harassment authorization.

SUMMARY: In accordance with provisions of the Marine Mammal Protection Act (MMPA) as amended, notification is hereby given that an Incidental Harassment Authorization (IHA) to take small numbers of bowhead whales and other marine mammals by harassment incidental to conducting seismic surveys in the Western Beaufort Sea in state and federal waters has been issued to BP Exploration (Alaska) (BPXA).

EFFECTIVE DATE: This authorization is effective from July 11, 1997, until November 1, 1997, unless extended.

ADDRESSES: The application, authorization, monitoring plan, and 1996 environmental assessment (EA) are available by writing to the Chief, Marine Mammal Division, Office of Protected Resources, NMFS, 1315 East-West Highway, Silver Spring, MD 20910–3225, or by telephoning one of the contacts listed below.

FOR FURTHER INFORMATION CONTACT: Kenneth R. Hollingshead, Office of Protected Resources, NMFS, (301) 713–2055, Brad Smith, Western Alaska Field Office, NMFS, (907) 271–5006.

SUPPLEMENTARY INFORMATION:

Background

Section 101(a)(5)(A) and (D) of the MMPA (16 U.S.C. 1361 *et seq*.) directs the Secretary of Commerce (Secretary) to allow, upon request, the incidental, but not intentional, taking of marine mammals by U.S. citizens who engage in a specified activity (other than commercial fishing) within a specified geographical region if certain findings are made and either regulations are issued or, if the taking is limited to harassment, notice of a proposed authorization is provided to the public for review.

Permission may be granted if NMFS finds that the taking will have a negligible impact on the species or stock(s), will not have an unmitigable adverse impact on the availability of the species or stock(s) for subsistence uses, and the permissible methods of taking and requirements pertaining to the monitoring and reporting of such taking are set forth.

On April 10, 1996 (61 FR 15884), NMFS published an interim rule establishing, among other things, procedures for issuing incidental harassment authorizations under section 101(a)(5)(D) of the MMPA in Arctic waters. For additional information on the procedures to be followed for this authorization, please refer to that document.

Summary of Request

On March 5, 1997, NMFS received an application from BPXA, 900 East Benson Boulevard, Anchorage, AK 99519, requesting a 1-year renewal of their authorization for the harassment of small numbers of several species of marine mammals incidental to conducting seismic surveys during the open water season in the Western Beaufort Sea between approximately 145° 30'W and 150° 30'W, in U.S. waters. Weather permitting, the survey