

the date of publication of the final results of this review. Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. See 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was not requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. See *Federal-Mogul Corporation and The Torrington Company v. United States*, 822 F.Supp. 782 (CIT 1993) and *Floral Trade Council v. United States*, 822 F. Supp. 766 (CIT 1993). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review. We will instruct Customs to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order will be the rate for that company established in the most recently completed administrative proceeding under the URAA. If such a review has not been conducted, the rate established in the most recently completed administrative proceeding conducted pursuant to the statutory provisions that were in effect prior to the URAA amendments, is applicable. See *1992/93 Final Results*, 61 FR 28842. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1997 through December 31, 1997, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

#### Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to 19 CFR 351.309,

interested parties may submit written comments in response to these preliminary results. Case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs. Parties who submit argument in this proceeding are requested to submit with the argument: (1) a statement of the issues, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs, that is, thirty-seven days after the date of publication of these preliminary results. 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 case briefs, under 19 CFR 351.309(c)(ii), 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.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677f(i)(1)).

Dated: May 3, 1999.

**Robert S. LaRussa,**  
Assistant Secretary for Import Administration.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-122-815]

#### Pure Magnesium and Alloy Magnesium From Canada: Preliminary Results of the Sixth Countervailing Duty Administrative Reviews

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

**ACTION:** Notice of Preliminary Results of Countervailing Duty Administrative Reviews.

**SUMMARY:** The Department of Commerce is conducting administrative reviews of the countervailing duty orders on pure magnesium and alloy magnesium from Canada for the period January 1, 1997 through December 31, 1997. We have preliminarily determined that certain producers/exporters have received countervailable subsidies during the period of review. If the final results remain the same as these preliminary results, we will instruct the Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Reviews* section of this notice. Interested Parties are invited to comment on these preliminary results.

**EFFECTIVE DATE:** May 7, 1999.

**FOR FURTHER INFORMATION CONTACT:** Annika O'Hara or Blanche Ziv, AD/CVD Enforcement, Group 1, Office 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-3798 or (202) 482-4207, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Applicable Statute and Regulations

The Department of Commerce (the Department) is conducting these administrative reviews in accordance with section 751(a) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA), effective January 1, 1995 (the Act). Unless otherwise indicated, all citations to the statute are references to the provisions of the Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR Part 351 (1998).

##### Background

On August 31, 1992, the Department published in the **Federal Register** the countervailing duty orders on pure magnesium and alloy magnesium from Canada (57 FR 39392). On August 11, 1998, the Department published a notice of "Opportunity to Request Administrative Review" of these orders (63 FR 42821). We received a timely request for review from Norsk Hydro Canada Inc. (NHCI) on August 25, 1998, and we initiated these reviews, covering the period January 1, 1997, through December 31, 1997, on September 29, 1998 (63 FR 51893).

In accordance with 19 CFR 351.213(b), these reviews cover NHCI, the only producer or exporter of the subject merchandise for which a review was specifically requested. These reviews cover 17 subsidy programs.

On October 6, 1998, the Department issued countervailing duty questionnaires to NHCI, the Government of Canada (GOC), and the Government of Quebec (GOQ). We received questionnaire responses from NHCI on November 20, 1998, the GOQ on November 23, 1998, and the GOC on November 27, 1998.

### Scope of the Reviews

The products covered by these reviews are shipments of pure and alloy magnesium from Canada. Pure magnesium contains at least 99.8 percent magnesium by weight and is sold in various slab and ingot forms and sizes. Magnesium alloys contain less than 99.8 percent magnesium by weight with magnesium being the largest metallic element in the alloy by weight, and are sold in various ingot and billet forms and sizes.

The pure and alloy magnesium subject to review is currently classifiable under items 8104.11.0000 and 8104.19.0000, respectively, of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written descriptions of the merchandise subject to the orders are dispositive.

Secondary and granular magnesium are not included in the scope of these orders. Our reasons for excluding granular magnesium are summarized in *Preliminary Determination of Sales at Less Than Fair Value: Pure and Alloy Magnesium From Canada*, 57 FR 6094 (February 20, 1992).

### Period of Review

The period of review (POR) for which we are measuring subsidies is from January 1, 1997 through December 31, 1997.

### Analysis of Programs

#### *I. Programs Preliminarily Determined to Confer Subsidies*

##### A. Exemption From Payment of Water Bills

Pursuant to a December 15, 1988, agreement between NHCI and La Société du Parc Industriel et Portuaire de Bécancour (Industrial Park), NHCI was exempt from paying its water bills. In accordance with this agreement, NHCI did not pay the invoiced amounts of its water bills, except for the taxes associated with these bills, until June 1997. By June 1997, NHCI had used the entire credit granted by the Industrial Park and began paying its water bills in full.

In *Final Affirmative Countervailing Duty Determinations: Pure Magnesium*

and Alloy Magnesium from Canada, 57 FR 30946, 30948 (July 13, 1992) (*Magnesium from Canada*), the Department determined that the exemption received by NHCI was limited to a specific enterprise or industry, or group of enterprises or industries, because no other company received such an exemption. In these reviews, neither the GOQ nor NHCI provided new information which would warrant reconsideration of this determination.

We preliminarily determine the countervailable benefit to be the amount NHCI would have paid for water absent the exemption. To calculate the benefit under this program, we divided the amount NHCI would have paid during the POR by the company's total sales of Canadian-manufactured products during the same period. Thus, we preliminarily determine the countervailable subsidy provided by this program to be 0.18 percent *ad valorem*.

The water bill credit program was terminated in June 1997. As of June 30, 1997, the credit given for water consumption had been reached and NHCI began to make water bill payments. Since NHCI has continued to make water bill payments thereafter, we preliminarily determine this program terminated with no residual benefits. Moreover, there is no evidence on the record which would indicate that residual benefits are being provided or received or that a substitute program has been implemented. Therefore, we will not examine this program in the future, and the cash deposit rate will be zero for this program.

##### B. Article 7 Grants From the Québec Industrial Development Corporation

The Société de Développement Industriel du Québec (SDI) administers development programs on behalf of the GOQ. SDI provides assistance under Article 7 of the SDI Act in the form of loans, loan guarantees, grants, assumptions of costs associated with loans, and equity investments. This assistance involves projects capable of having a major impact upon the economy of Québec. Article 7 assistance greater than 2.5 million dollars must be approved by the Council of Ministers and assistance over 5 million dollars becomes a separate budget item under Article 7. Assistance provided in such amounts must be of "special economic importance and value to the province." (See *Magnesium from Canada* at 30949.)

In 1988, NHCI was awarded a grant under Article 7 to cover a large percentage of the cost of certain environmental protection equipment. In

*Magnesium from Canada*, we determined that NHCI received a disproportionately large share of assistance under Article 7. On this basis, we determined that the Article 7 grant was limited to a specific enterprise or industry, or group of enterprises or industries. In these reviews, neither the GOQ nor NHCI provided new information which would warrant reconsideration of this determination.

For the reasons set forth in *Preliminary Results of First Countervailing Duty Administrative Reviews: Pure Magnesium and Alloy Magnesium from Canada*, 61 FR 11186, 11187 (March 19, 1996), we preliminarily determine that the Article 7 assistance received by NHCI was a non-recurring grant because it represented a one-time provision of funds.

We calculated the benefit received by NHCI using our standard grant methodology. As the discount rate, we used the company's cost of long-term, fixed-rate debt in the year in which the grant was awarded. We divided the portion of the benefit allocated to the POR by NHCI's total sales of Canadian-manufactured products during the same period. We preliminarily determine the net subsidy provided by this program to be 1.84 percent *ad valorem*.

#### *II. Programs Preliminarily Determined To Be Not Used*

We examined the following programs and preliminarily determine that NHCI did not apply for or receive benefits under these programs during the POR:

- St. Lawrence River Environment Technology Development Program.
- Program for Export Market Development.
- The Export Development Corporation.
- Canada-Québec Subsidiary Agreement on the Economic Development of the Regions of Québec.
- Opportunities to Stimulate Technology Programs.
- Development Assistance Program.
- Industrial Feasibility Study Assistance Program.
- Export Promotion Assistance Program.
- Creation of Scientific Jobs in Industries.
- Business Investment Assistance Program.
- Business Financing Program.
- Research and Innovation Activities Program.
- Export Assistance Program.
- Energy Technologies Development Program.
- Transportation Research and Development Assistance Program.

### Preliminary Results of Reviews

In accordance with 19 CFR 351.221(b)(4)(i), we calculated a subsidy rate for NHCI, the sole producer/exporter subject to these administrative reviews. For the period January 1, 1997, through December 31, 1997, we preliminarily determine the net subsidy rate for NHCI to be 2.02 percent *ad valorem*. If the final results of these reviews remain the same as these preliminary results, the Department intends to instruct the Customs Service to assess countervailing duties at the net subsidy rate.

The Department also intends to instruct the Customs Service to collect cash deposits of estimated countervailing duties (exclusive of the net subsidy rate calculated for the water program, see section I. A. above), at the rate of 1.84 percent of the f.o.b. value of all shipments of the subject merchandise from NHCI entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these administrative reviews.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested reviews will normally cover only those companies specifically named. See 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was not requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. See *Federal-Mogul Corporation and The Torrington Company v. United States*, 822 F. Supp. 782 (CIT 1993) and *Floral Trade Council v. United States*, 822 F. Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR 355.22(g), the predecessor to 19 CFR 351.212(c)). Therefore, the cash deposit rates for all companies except those covered by these reviews will be unchanged by the results of these reviews.

We will instruct the the Customs Service to continue to collect cash deposits for non-reviewed companies,

except Timminco Limited (which was excluded from the orders during the investigation), at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by these orders are those established in the most recently completed administrative proceeding, conducted pursuant to the statutory provisions that were in effect prior to the URAA amendments. See *Final Results of the Second Countervailing Duty Administrative Reviews: Pure Magnesium and Alloy Magnesium from Canada*, 62 FR 48607 (September 16, 1997). These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1997, through December 31, 1997, the assessment rates applicable to all non-reviewed companies covered by these orders are the cash deposit rates in effect at the time of entry, except for Timminco Limited (which was excluded from the orders during the original investigation).

### Public Comment

Interested parties may request a hearing not later than 30 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 five days after the time limit for filing the case brief. Parties who submit an argument in these proceedings 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 two 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 351.303(f).

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 19 CFR 351.309(c)(ii), are due.

The Department will publish the final results of these administrative reviews, including the results of its analysis of issues raised in any case or rebuttal briefs or at a hearing.

These administrative reviews and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: May 3, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

#### Notice of Extending Comment Period to May 14, 1999

**AGENCY:** International Trade Administration, U.S. Department of Commerce.

**ACTION:** Notice of extending comment period to May 14, 1999.

**SUMMARY:** In connection with the Department of Commerce's request for public comments on its proposed safe harbor documents announced in the notice published on April 22, 1999 (pages 19747-19748), the Department has posted new "Frequently Asked Questions" and extended the comment period on all posted documents to May 14, 1999. All documents for comment are posted on the Department's web page, at <http://www.ita.doc.gov/ecom>.

**DATES:** The deadline for public comments is May 14, 1999.

### Comment Submission Procedure

Please submit comments on any draft documents to the Department of Commerce electronically in an HTML format to the following email address: [Ecommerce@ita.doc.gov](mailto:Ecommerce@ita.doc.gov). If organizations do not have the technical ability to provide comments in an HTML format, they can forward them in the body of the email, or in a Word or WordPerfect format. If necessary, hard copies of comments can be mailed to the Electronic Commerce Task Force, U.S. Department of Commerce, Room 2009, 14th and Constitution Ave., NW, Washington DC 20230, or faxed to 202-501-2548. If you would like to speak to someone or want hard copies please call Brenda Carter-Nixon on (202) 482-5227.

Dated: April 30, 1999.

**Eric Fredell,**

*International Trade Specialist, International Trade Administration/ Trade Development.*

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