Normal Value

We compared the aggregate quantity of home market and U.S. sales and determined that the quantity of the company's sales in its home market was more than five percent of the quantity of its sales to the U.S. market. Consequently, pursuant to section 773(a)(1) of the Act, we based normal value (''NV'') on home market sales.

We made adjustments for differences in packing in accordance with sections 773(a)(6)(A) and B(i) of the Act. We also made adjustments for movement expenses, consistent with section 773(a)(6)(B)(ii) of the Act, for inland freight. In addition, we made adjustments for differences in circumstances of sale (''COS'') in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. We made COS adjustments by deducting direct selling expenses incurred on home market sales (credit expenses) and adding U.S. direct selling expenses (credit expenses).

Revocation

Pursuant to 19 CFR 351.222(b)(2), NHCI requested revocation of the antidumping duty order, in part. In accordance with 19 CFR 351.222(e), the request was accompanied by certifications that NHCI had not sold the subject merchandise at less than normal value during the current period of review and would not do so in the future. NHCI further certified that it sold the subject merchandise to the United States in commercial quantities for a period of at least three consecutive years. NHCI also agreed to immediate reinstatement of the antidumping duty order, as long as any exporter or producer is subject to the order, if the Department concludes that NHCI, subsequent to the revocation, sold the subject merchandise at less than normal value.

We must determine, as a threshold matter, in accordance with 19 CFR 351.222, whether the company requesting revocation sold the subject merchandise in commercial quantities in each of the three years forming the basis of the request. *See* Pure Magnesium From Canada; Final Results of Antidumping Duty Administrative Review and Determination Not to Revoke Order in Part, 64 FR 12977, 12978 (March 16, 1999) (''Fifth Review''). In the Fifth Review, we determined that NHCI did not sell the subject merchandise in the United States in commercial quantities in any of the three years cited by NHCI to support its request for revocation. Two of those three years have been cited by NHCI in support of its current request for revocation. Based on our findings in the Fifth Review, we preliminarily find that NHCI does not qualify for revocation of the order on pure magnesium because it does not have three consecutive years of sales in commercial quantities at not less than normal value, as provided for in 19 CFR 351.222(b) and (e)(1)(ii). Therefore, we do not need to address the issue of whether NHCI's sales in the current review period were in commercial quantities.

Preliminary Results of the Review

As a result of this review, we preliminarily determine that NHCI's margin for the period August 1, 1997, through July 31, 1998, is zero.

Any interested party may request a hearing within 30 days of publication. Any hearing, if requested, will be held 42 days after the publication of this notice, or the first workday thereafter. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. Interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication of this notice.

Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument with an electronic version included. The Department will publish the final results of this administrative review subsequently, including the results of its analysis of issues raised in any such written briefs or hearing. The Department will issue final results of this review within 120 days of publication of these preliminary results.

Furthermore, the following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of pure magnesium from Canada entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate established in the final results of this administrative review (except no cash deposit will be required for the company if its weighted-average margin is de minimis, i.e., less than 0.5 percent); (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in the original less than fair value investigation or a previous review, the cash deposit will continue to be the most recent rate published in the final determination or final results for which the manufacturer or exporter received an individual rate; (3) if the exporter is not a firm covered in this review, the previous review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous reviews, the cash deposit rate will be 21 percent, the ''all others'' rate established in Pure Magnesium from Canada; Amendment of Final Determination of Sales At Less Than Fair Value and Order in Accordance With Decision on Remand (58 FR 62643, November 29, 1993).

This notice serves as a preliminary reminder to importers of their responsibility to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results 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.

[FR Doc. 99–11886 Filed 5–10–99; 8:45 am]

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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

[C–122–834]

Preliminary Negative Countervailing Duty Determination; Live Cattle From Canada

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

EFFECTIVE DATE: May 11, 1999.

FOR FURTHER INFORMATION CONTACT: Zak Smith, Stephanie Hoffman, James Breeden, or Melani Miller Office I, AD/CVD Enforcement, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–0189, (202) 482–4198, (202) 482–1174, or (202) 482–0116, respectively.

Preliminary Determination

The Department of Commerce preliminarily determines that countervailable subsidies are not being provided to producers and exporters of live cattle in Canada.

Petitioner

The petition in this investigation was filed on November 12, 1998, by the Ranchers-Cattlemen Action Legal Foundation (R-Calf, referred to hereafter as the ''petitioner'').

Case History

Since the publication of the notice of initiation in the **Federal Register** (*see* Initiation of Countervailing Duty Investigation of Live Cattle From Canada, 63 FR 71889 (December 30, 1998) (''Notice of Initiation'')), the following events have occurred. On January 28, 1999, we issued a countervailing duty questionnaire to the Government of Canada (''GOC''). In our questionnaire, we indicated that we would be limiting our investigation to the four largest cattle producing provinces in Canada: Alberta, Manitoba, Ontario, and Saskatchewan. Thus, we have not investigated provincial or federal/provincial programs that are not related to the above four provinces. Specifically, we have not included in our investigation the following programs included in our Notice of Initiation: the British Colombia Livestock Feeder Loan Guarantee Program, the Quebec Farm Financing Act, the Technology Innovation Program Under the Agri-Food Agreement, and the Quebec Farm Income Stabilization Insurance Program (FISI).

On January 27, 1999, we postponed the preliminary determination of this investigation until May 3, 1999 (*see* Postponement of Preliminary Countervailing Duty Determination: Live Cattle From Canada, 64 FR 4073) on the basis that it was extraordinarily complicated.

We received a response to our initial questionnaire from the GOC, which included responses from the provincial governments of Alberta (''the GOA''), Manitoba (''the GOM''), Ontario (''the GOO''), and Saskatchewan (''the GOS''), on March 24 and April 8, 1999. On March 24, 1999, the petitioner filed an indirect subsidy allegation regarding silage production. However, there was insufficient evidence to support its claim; therefore, we are not investigating that allegation. On April 7 and 13, 1999, we issued supplemental questionnaires to the GOC and received responses to the supplemental questionnaires on April 16 and 22, 1999.

Scope of Investigation

For purposes of this investigation, the product covered is all live cattle except imports of dairy cows for the production of milk for human consumption and purebred cattle specially imported for breeding purposes and other cattle specially imported for breeding purposes.

The merchandise subject to this investigation is currently classifiable under subheading 0102.90.40 of the Harmonized Tariff Schedule of the United States (''HTSUS''), with the exception of 0102.90.40.72 and 0102.90.40.74. Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the scope of this proceeding is dispositive.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (''URAA'') effective January 1, 1995 (''the Act''). In addition, unless otherwise indicated, all citations to the Department of Commerce's (''the Department's'') regulations are to the current regulations as codified at 19 CFR Part 351 (April 1998). Although Subpart E of 19 CFR Part 351, published on Novemer 25, 1998 (63 FR 65348) does not apply to this investigation, Subpart E represents the Department's interpretation of the requirements of the Act. *See* 19 CFR 351.702(b).

Injury Test

Because Canada is a ''Subsidies Agreement Country'' within the meaning of section 701(b) of the Act, the International Trade Commission (''ITC'') is required to determine whether imports of the subject merchandise from Canada materially injure, or threaten material injury to, a U.S. industry. On January 25, 1999, the ITC published its preliminary determination finding that there is a reasonable indication that an industry in the United States is being materially injured, or threatened with material injury, by reason of imports from Canada of the subject merchandise (*ee* 64 FR 3716).

Period of Investigation

The period for which we are measuring subsidies (''the POI'') is the GOC's fiscal year, April 1, 1997, through March 31, 1998.

Subsidies Valuation Information

Allocation Period

We have used three years as the allocation period in this investigation. Based on information provided by the petitioner, three years is the average useful life (''AUL'') of productive assets for the Canadian cattle industry. Parties are not contesting this AUL.

Subsidy Rate Calculation

Due to the extremely large number of cattle producers in Canada, we have collected subsidy information on an industry-wide or ''aggregate'' basis (*i.e.*, the total amount of benefits provided under a particular program). Moreover, as noted above, we have limited our investigation to the four largest cattle producing provinces in Canada. Therefore, unless otherwise noted, for each program preliminarily found to be countervailable, we have calculated the ad valorem subsidy rate by dividing the total amount of the benefit attributed to cattle producers in the four relevant provinces during the POI by the total sales of all cattle in the same four provinces.

Benchmarks for Long-Term Loans and Discount Rates

To calculate the countervailable benefit from loans and nonrecurring grants, we have used a previously verified benchmark interest rate charged by Canadian commercial banks on loans made to the farming sector. This rate is equal to the prime rate plus one and one-half percentage points. *See* Live Swine From Canada; Preliminary Results of Countervailing Duty Administrative Review, 63 FR 23723, 23726 (April 30, 1998). Accordingly, we have used the average prime rates based on the figures published by the Bank of Canada plus one and one-half percentage points.

Loan Guarantee Programs

For certain loan guarantee programs that we have preliminarily found to be countervailable, the respondents were unable to provide the specific loan information required to perform a precise calculation of the countervailable benefit attributable to cattle producers during the POI. Their inability to provide the data arose because of the nature of the underlying loan instrument (*i.e.*, lines of credit which had no predetermined time frame for the disbursal of principal or set repayment schedule), the extremely large number of loans provided, and the large number of transactions (withdrawals and payments) conducted pursuant to those loans. Therefore, for these programs, we have estimated the countervailable benefit by calculating the difference between the interest actually paid in the POI and the interest that would have been paid for a commercial loan absent a guarantee. *See* Extruded Rubber Thread From Malaysia: Final Affirmative Countervailing Duty Determination and Countervailing Duty Order, 57 FR 38472 (August 25, 1992). In effect, we are applying our short-term loan methodology to these long-term loan instruments. This approach does not yield a precise measure of the benefit because the loan instruments being examined are effectively lines of credit with balances and interest rates varying from month-to-month. Nonetheless, we believe this methodology is reasonable under the circumstances presented by this investigation.

Also, the respondents reported various fees they paid in connection with the guaranteed loans. However, the information they presented with respect to fees payable on commercial loans was unclear. So, as to avoid a comparison of nominal benchmark rates with effective interest rates on the government-guaranteed loans, we have generally not included the fees in calculating the amounts paid under the government-guaranteed loans. Consequently, we are comparing nominal rates to nominal rates. The one exception to this is the fee specifically paid to FIMCLA for the guarantee, which is an allowable offset under section 771(6)(A) of the Act. We intend to seek further information on the fees that would be paid on commercial loans for our final determination.

I. Programs Preliminarily Determined To Be Countervailable

Loan and Loan Guarantee Programs

A. Farm Improvement and Marketing Cooperative Loans Act (''FIMCLA'')

FIMCLA provides federal government guarantees on loans extended by private commercial banks and other lending institutions to farmers across Canada. Created in 1987, the purpose of this program is to increase the availability of loans for the improvement and development of farms and the marketing, processing and distribution of farm products by cooperative associations. Persons engaged in farming operations are eligible for a FIMCLA guarantee if the loan is for one of the following activities: purchase or repair of tools, purchase or repair of machinery, purchase of livestock, alteration or improvement of machinery, erection or construction of fencing or works for drainage, construction or alteration of any building or structure on a farm, or the purchase of additional land. FIMCLA guarantees payment to the lender of up to 95 percent of any loss on a loan made under a FIMCLA loan guarantee. The maximum amount of money that an individual can borrow under this program is C$250,000. For marketing cooperatives, the maximum amount is C$3,000,000. The GOC reported that beef and hog farmers, which are categorized as one group by the FIMCLA administration, received approximately 25 to 30 percent of all guarantees between 1994 and 1998, while other users such as poultry, fruit and vegetables, and dairy producers received less than ten percent of the guarantees.

A loan guarantee is a financial contribution, as described in section 771(5)(D)(i) of the Act, which provides a benefit to the recipients equal to the difference between the amount the recipients of the guarantee pay on the guaranteed loans, after adjusting for guarantee fees, and the amount the recipients would pay for a comparable commercial loan absent the guarantee. Because the beef and pork industries received a disproportionate share of benefits between 1994 and 1998, we preliminarily determine that the program is specific under section 771(5A)(D)(iii) of the Act. Therefore, we preliminarily determine that these loan guarantees are countervailable subsidies, to the extent that they lower the cost of borrowing, within the meaning of section 771(5) of the Act.

In its questionnaire response, the GOC provided a sample of loans guaranteed under the program for beef and hog producers throughout Canada. Because of the large number of loans reported, we agree with the GOC's argument that this sample yields an accurate reflection of all loans provided to beef and hog producers that receive FIMCLA guarantees.

To calculate the subsidy conferred by this program, we used our long-term fixed-rate or variable-rate loan methodology (depending on the terms of the reported loans) to compute the total benefit on the sampled loans. We then calculated the subsidy per dollar loaned to beef and hog producers. This ratio was multiplied by the total value of guaranteed loans outstanding to beef and hog producers in the POI to arrive at the total subsidy. We then divided the total subsidy attributable to the POI by Canada's total sales of live cattle during the POI. On this basis, we preliminarily determine the total benefit from this program to be 0.05 percent ad valorem. Ideally, the denominator used to calculate the total benefit from this program would include Canadian hog sales, but the GOC did not provide the necessary sales data.

B. Alberta Feeder Associations Guarantee Program

The Alberta Feeder Associations Guarantee Act was established in 1938 to encourage banks to lend to cattle producers. The program is administered by the Alberta Department of Agriculture, Food and Rural Development. Under this program, up to 15 percent of the principal amount of commercial loans taken out by feeder associations for the acquisition of cattle is guaranteed. Eligibility for the guarantees is limited to feeder associations located in Alberta. Sixty-two associations received guarantees on loans which were outstanding during the POI.

A loan guarantee is a financial contribution, as described in section 771(5)(D)(i) of the Act, which provides a benefit to the recipients equal to the difference between the amount the recipients of the guarantee pay on the guaranteed loans and the amount the recipients would pay for a comparable commercial loan absent the guarantee. Because eligibility is limited to feeder associations, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that these loan guarantees are countervailable subsidies, to the extent that they lower the cost of borrowing, within the meaning of section 771(5) of the Act.

To calculate the subsidy conferred by the loan guarantees we applied our short-term loan methodology and compared the amount of interest actually paid during the POI by the associations to the amount that would have been paid at the benchmark rate, as described in the *Subsidies Valuation Information* section, above. We then divided the associations' interest savings by the investigated provinces' total sales of live cattle during the POI. On this basis, we preliminarily determine the total benefit from this program to be 0.04 percent ad valorem.

C. Manitoba Cattle Feeder Associations Loan Guarantee Program

The Manitoba Cattle Feeder Associations Loan Guarantee Program was established in 1991 to assist in the diversification of Manitoba farm operations. The program is currently administered by the Manitoba Agricultural Credit Corporation (''MACC''). The provincial government, through MACC, guarantees 25 percent of the principal amount of loans for the acquisition of livestock by feeder associations. Eligibility for the guarantees is limited to feeder associations located in Manitoba. Associations must be incorporated under the Cooperatives Act of Manitoba, have a minimum of fifteen members, an elected board of directors, and a registered brand for use on association cattle. Ten associations received guarantees on loans which were outstanding during the POI.

A loan guarantee is a financial contribution, as described in section 771(5)(D)(i) of the Act, which provides a benefit to the recipients equal to the difference between the amount the recipients of the guarantee pay on the guaranteed loans and the amount the recipients would pay for a comparable commercial loan absent the guarantee. Because eligibility is limited to feeder associations, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that these loan guarantees are countervailable subsidies, to the extent that they lower the cost of borrowing, within the meaning of section 771(5) of the Act.

To calculate the subsidy conferred by the loan guarantees, we applied our short-term loan methodology and compared the amount of interest actually paid during the POI by the associations to the amount that would have been paid at the benchmark rate, as described in the *Subsidies Valuation Information* section, above. We then divided the associations' interest savings by the investigated provinces' total sales of live cattle during the POI. On this basis, we preliminarily determine the total benefit from this program to be less than 0.01 percent ad valorem.

D. Ontario Feeder Cattle Loan Guarantee Program

The Ontario Feeder Cattle Loan Program was established in 1990 to assist cattle producers. The program is administered by the Ontario Ministry of Agriculture, Food and Rural Affairs (''OMAFRA''). OMAFRA provides a start-up grant of $10,000 to new feeder associations and a 25 percent government guarantee on loans to associations for the purchase and sale of cattle. Eligibility for the guarantees is limited to feeder associations which have at least twenty individuals who own or rent land in Ontario and are not members of other feeder associations. Eighteen associations received guarantees on loans which were outstanding during the POI.

Loan guarantees and grants are financial contributions, as described in section 771(5)(D)(i) of the Act. Loan guarantees provide a benefit to the recipients equal to the difference between the amount the recipients of the guarantee pay on the guaranteed loans and the amount the recipients would pay for a comparable commercial loan absent the guarantee. In the case of grants, the benefit to recipients is the amount of the grant. Because eligibility for the loan guarantees and grants under this program is limited to feeder associations, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that these loan guarantees and grants are countervailable subsidies within the meaning of section 771(5) of the Act.

To calculate the subsidy conferred by the loan guarantees, we applied our short-term loan methodology and compared the amount of interest actually paid during the POI by the associations to the amount that would have been paid at the benchmark rate, as described in the *Subsidies Valuation Information* section, above. We then divided the associations' interest savings by the investigated provinces' total sales during the POI. On this basis, we preliminarily determine the total benefit from this program to be 0.01 percent ad valorem.

Additionally, we preliminary determine that the grants provided under this program are non-recurring because the recipients could not expect to receive them on an on-going basis. However, because the subsidy was below 0.50 percent of the investigated provinces' sales in the year of receipt in each of the relevant years, we expensed the benefit from the grants. For the POI, we divided the grants received during the POI by the investigated provinces' total sales of live cattle during the POI. On this basis we preliminarily determine the countervailable subsidy to be less than 0.01 percent ad valorem.

To calculate the total benefit to cattle producers under this program, we summed the benefit calculated for the loan guarantees and grants. On this basis, we preliminarily determine the total benefit from this program to be 0.01 percent ad valorem.

E. Saskatchewan Feeder Associations Loan Guarantee Program

The Saskatchewan Feeder Associations Loan Guarantee Program was established in 1984 to facilitate the establishment of cattle feeder associations in order to promote cattle feeding in Saskatchewan. The program is administered by the Livestock and Veterinary Operations Branch of the Saskatchewan Agriculture and Food Department. This agency provides a government guarantee for 25 percent of the principal amount on loans to feeder associations for the purchase of feeder heifers and steers. Eligibility for the guarantees is limited to feeder associations with at least twenty members over the age of eighteen, who are not active in other feeder associations. One hundred and sixteen associations received guarantees on loans which were outstanding during the POI.

A loan guarantee is a financial contribution, as described in section 771(5)(D)(i) of the Act, which provides a benefit to the recipients equal to the difference between the amount the recipients of the guarantee pay on the guaranteed loans and the amount the recipients would pay for a comparable commercial loan absent the guarantee. Because eligibility for the guarantees is limited to feeder associations, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that these loan guarantees are countervailable subsidies, to the extent that they lower the cost of borrowing, within the meaning of section 771(5) of the Act.

To calculate the subsidy conferred by the loan guarantees, we applied our short-term loan methodology and compared the amount of interest actually paid during the POI by the associations to the amount that would have been paid at the benchmark rate, as described in the *Subsidies Valuation Information* section, above. We then divided the associations' interest savings by the investigated provinces' total sales during the POI. On this basis, we preliminarily determine the total benefit from this program to be 0.01 percent *ad valorem*.

F. Saskatchewan Breeder Associations Loan Guarantee Program

The Saskatchewan Breeder Associations Loan Guarantee Program was established in 1991 to facilitate the establishment of cattle breeder associations, in an effort to promote cattle breeding in Saskatchewan. The program is administered by the Livestock and Veterinary Operations Branch of the Saskatchewan Agriculture and Food Department. This agency provides a guarantee on 25 percent of the principal amount of loans to breeder associations for the purchase of certain breeding cattle. Eligibility is limited to breeder associations which consist of at least twenty individuals who are residents of Saskatchewan and over the age of eighteen. One hundred and seven associations received guarantees on loans which were outstanding during the POI.

A loan guarantee is a financial contribution, as described in section 771(5)(D)(i) of the Act, which provides a benefit to the recipients equal to the difference between the amount the recipients of the guarantee pay on the guaranteed loans and the amount the recipients would pay for a comparable commercial loan absent the guarantee. Because eligibility is limited to feeder associations, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that these loan guarantees are countervailable subsidies, to the extent that they lower the cost of borrowing, within the meaning of section 771(5) of the Act.

To calculate the subsidy conferred by the loan guarantees, we applied our short-term loan methodology and compared the amount of interest actually paid during the POI by the associations to the amount that would have been paid at the benchmark rate, as described in the *Subsidies Valuation Information* section, above. We then divided the associations' interest savings by the investigated provinces' total sales during the POI. On this basis, we preliminarily determine the total benefit from this program to be 0.01 percent *ad valorem*.

Provision of Goods or Services

G. Prairie Farm Rehabilitation Community Pasture Program

The Prairie Farm Rehabilitation Administration (''PFRA'') was created in the 1930s to rehabilitate drought and soil drifting areas in the Provinces of Manitoba, Saskatchewan, and Alberta. The PFRA established the Community Pasture Program to facilitate improved land use through its rehabilitation, conservation, and management. The goal of the common Pasture Program is to utilize the resource primarily for the summer grazing of cattle to encourage long-term production of high quality cattle. In pursuit of its objectives, the PFRA operates 87 separate pastures encompassing approximately 2.2 million acres. At these pastures, the PFRA offers grazing privileges and optional breeding services for fees as established by PFRA. The fees are based upon recovery of the costs associated with the grazing and breeding services.

The provision of a good or service is a financial contribution as described in section 771(5)(D)(iii) of the Act. To determine whether a benefit is conferred in the provision of the service, it is necessary to examine whether the provider receives adequate remuneration. According to section 771(5)(E) of the Act, the adequacy of remuneration with respect to a government's provision of a good or service ''* * * shall be determined in relation to prevailing market conditions for the good or service being provided or the goods being purchased in the country which is subject to the investigation or review. Prevailing market conditions include price, quality, availability, marketability, transportation, and other conditions of purchase or sale.'' Therefore, to judge the adequacy of remuneration we compared the prices charged for public pasture services to those charged by private providers. Based on this comparison, we preliminarily determine that the price for private pastures is higher than the price for public pastures. The GOC has argued that lower prices for public pasture services should be expected because the quality of services offered is lower. In particular, cattle in public pastures are commingled, while farmers prefer to graze cattle in an exclusive environment. We have not considered making adjustments for differences in the types of services offered at public and private pastures because the GOC was unable to quantify them.

Because use of Community Pastures is limited to Canadian farmers involved in grazing livestock, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that the provision of public pasture services is a countervailable subsidy within the meaning of section 771(5) of the Act.

To measure the benefit, we calculated the difference between the price for public pasture service and the price for privately provided pasture. This difference was multiplied by the total number of cow/calf pairs serviced by the PFRA during the POI. We treated the resulting amount as a recurring benefit and divided it by the investigated provinces' total sales during the POI. On this basis, we determine the countervailable subsidy to be 0.04 percent ad valorem.

H. Alberta Crown Lands Basic Grazing Program

Over time, Alberta has developed a system for granting grazing rights on public land. Grazing rights began to be issued on public lands in the early 1930s. Today, through Alberta Agriculture and Municipal Affairs, over 10.5 million acres of land are managed by the GOA including a grazing component of approximately two million animal unit months (''AUM's''). AUMs are defined as the amount of forage required to feed one animal for one month while maintaining the vegetative state of the land in good condition.

Leases for grazing rights range from one to twenty year terms, but, in practice, all leases are renewed if the lessee is in good standing. Alberta's Public Lands Act dictates how rental prices will be set. Specifically, section 107 states that annual rent will be equal to a percentage of the forage value of the leased land. When determining the forage value of the land, the administering authority is required to consider the grazing capacity of the land, the average gain in weight of cattle on grass, and the average price per pound of cattle sold in the principal livestock markets in Alberta during the preceding year. Beyond paying the lease fee, lessees are also required to construct and maintain capital improvements necessary for livestock and must comply with all multiple-use and conservation restrictions imposed by the government on the land. Lastly, lessees must pay school and municipal taxes charged on the land being leased.

The provision of a good or service is a financial contribution as described in section 771(5)(D)(iii) of the Act. As discussed above in connection with the PFRA, a benefit is conferred in the provision of a good or service when the prices charged for government-provided goods or services are less than the prices charged by private suppliers. In the case of the Alberta Crown Lands Basic Grazing Program, a simple comparison of the fees charged would not be appropriate because the grazing rights being offered by the GOA differ from those offered by private suppliers. In this regard, the GOA has provided certain quantifiable adjustments. Specifically, we adjusted the private price downward by deducting costs for the construction and maintenance of fences and water improvements, and the cost of paying property taxes. Although the GOA argued that there were other differences that should be taken into account for such things as multiple-use and conservation requirements, we have not considered making adjustments for such costs because the GOA was unable to quantify them. Comparing the public grazing lease to the adjusted private lease price, we preliminarily determine that the price for private leases is higher than the price for a public grazing lease. This provides a benefit to the recipients equal to the difference between the amount the recipients pay for the good and the amount the recipients would pay for a comparable good.

Because the use of the Alberta Crown Lands Basic Grazing Program is limited to people grazing livestock, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that the provision of public grazing rights is a countervailable subsidy within the meaning of section 771(5) of the Act.

To measure the benefit, we calculated the difference between the price per AUM for a public grazing lease and the adjusted price per AUM for a private grazing lease. We multiplied this difference by the total AUMs provided through Alberta's grazing programs. We treated the resulting amount as a recurring benefit and divided it by the investigated provinces' total sales during the POI. On this basis, we determine the countervailable subsidy to be 0.18 percent ad valorem.

I. Manitoba Crown Lands Program

Agricultural Crown land is managed by Manitoba Agriculture Crown Lands (''MACL'') whose primary objective is to administer the disposition of Crown lands and to improve the lands' productivity. Crown agricultural land is made available to farmers through cultivation and grazing leases. Lease holders are required to pay an amount-in-lieu of municipal taxes as well as to construct and maintain fences and watering facilities. Also, the public has access to Crown lands at all times without prior permission of the lessee for such activities as wildlife hunting, forestry, winter sports, hiking, and berry picking. During the POI, MACL administered 1.6 million acres of grazing leases accounting for 707,699 AUMs.

Leases for grazing dispositions range from one to fifty year terms. MACL sets rental rates each year by multiplying the number of AUMs the leased land is capable of producing in an average year by an annual AUM rental rate. The AUM rental rate is based on recovering the administrative costs for the program using the previous year's actual costs.

The provision of a good or service is a financial contribution as described in section 771(5)(D)(iii) of the Act. As discussed above in connection with the PFRA, a benefit is conferred in the provision of a good or service when the prices charged for government-provided goods or services are less than the prices charged by private suppliers. In the case of the Manitoba Crown Lands Program, a simple comparison of the fees charged would not be appropriate because the grazing rights being offered by the GOM differ from those offered by private suppliers. In this regard, the GOM has provided certain quantifiable adjustments. Specifically, we adjusted the private price downward by deducting costs for the construction and maintenance of fences and watering facilities and the cost of paying an amount-in-lieu of municipal taxes. Although the GOM argued that there were other differences that should be taken into account for such things as multiple-use requirements and the isolated nature of Manitoba's Crown lands, we have not considered making the adjustments for such costs because the GOM was unable to quantify them. Comparing the public grazing lease to the adjusted private lease price, we preliminarily determine that the price for private leases is higher than the price for a public grazing lease.

Because use of the Manitoba Crown Lands Program is limited to people involved in grazing livestock, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that the provision of public grazing rights is a countervailable subsidy within the meaning of section 771(5) of the Act.

To measure the benefit, we calculated the difference between the price per AUM for a public grazing lease and the adjusted price per AUM for a private grazing lease. We multiplied this difference by the total AUM provided by MACL. We treated the resulting amount as a recurring benefit and divided it by the investigated provinces' total sales during the POI. On this basis, we determine the countervailable subsidy to be 0.01 percent *ad valorem*.

J. Saskatchewan Pasture Program

The Saskatchewan Pasture Program has been in place since 1922. It is designed to provide supplemental grazing to Saskatchewan livestock producers and maintain grazing and other fragile lands in permanent cover to promote soil stability. Saskatchewan Agriculture and Food (''SAF'') operates 56 provincial community pastures encompassing 804,000 acres. Through these pastures, the SAF offers grazing, breeding, and health services for fees as established by SAF. Fees are based upon recovery of the costs associated with the grazing and breeding services of each pasture.

The provision of a good or service is a financial contribution as described in section 771(5)(D)(iii) of the Act. As discussed above in connection with the PFRA, a benefit is conferred in the provision of a good or service when the prices charged for government-provided goods or services are less than the prices charged by private suppliers. Based on a comparison of these prices, we preliminarily determine that the price for private pastures is higher than the price for public pastures. The GOS has argued that lower prices for public pasture services should be expected because the quality of services offered is lower. In particular, cattle in public pastures are commingled, while farmers prefer to graze cattle in an exclusive environment. We have not considered making adjustments for differences in the types of services offered at public and private pastures because the GOS was unable to quantify them.

Because use of the Saskatchewan Pasture Program is limited to Canadian farmers involved in grazing livestock, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that the provision of public pasture services is a countervailable subsidy within the meaning of section 771(5) of the Act.

To measure the benefit, we calculated the difference between the price for public pasture service and the price for privately provided pasture. This difference was multiplied by the total number of AUM provided by SAF during the POI. We treated the resulting amount as a recurring benefit and divided it by the investigated provinces' total sales during the POI. On this basis, we determine the countervailable subsidy to be 0.01 percent *ad valorem*.

Other Programs

K. Northern Ontario Heritage Fund Corporation Agriculture Assistance

The Northern Ontario Heritage Fund Corporation (''NOHFC'') was established in 1988 as a Crown corporation for the purpose of promoting and stimulating economic development in northern Ontario. NOHFC focuses on funding infrastructure improvements and development opportunities in northern Ontario. Assistance for these projects is available through forgivable performance loans, incentive term loans, and loan guarantees. With respect to agricultural projects, all assistance provided by NOHFC is in the form of forgivable performance loans. The types of agricultural projects funded include capital projects, marketing projects and research and development projects. Fifty percent of capital project costs may be eligible for funding, up to a maximum of C$2.5 million. For marketing projects, fifty percent of the project costs may receive funding, up to a maximum of C$500,000. For research and development projects, 75 percent of the project costs may receive funding, up to a maximum of C$500,000. The loans made available to these projects are normally forgiven over two to three years. The extent of debt forgiveness is dependent upon the project meeting its target of increasing the value of farm production by an amount equal to the NOHFC contribution. We do not currently have information on the record as to whether the terms of the loans provide a potential countervailable benefit. However, prior to the issuing of our final determination, we plan on gathering such information.

Debt forgiveness is a financial contribution as described in section 771(5)(D)(i) of the Act, which provides a benefit to the recipients equal to the amount of the debt forgiven. Because benefits under this program are only available in northern Ontario, we preliminarily determine that the program is regionally specific under section 771(5A)(D)(iv) of the Act. Therefore, we preliminarily determine that this debt forgiveness is countervailable within the meaning of section 771(5) of the Act.

We further preliminarily determine that this debt forgiveness is non-recurring because the recipients could not expect to receive it on an ongoing basis. However, because the benefit to cattle producers in Ontario was below 0.50 percent of the investigated provinces' sales in the year of receipt in each of the relevant years, we expensed the debt forgiveness in the year received. To calculate the benefit for the POI, we divided the total amount of the forgiven debt by the investigated provinces' total sales during the POI. On this basis, we preliminarily determine the countervailable subsidy to be 0.01 percent *ad valorem*.

L. Ontario Livestock, Poultry, and Honeybee Protection Act

This program, which is administered by the Ontario Ministry of Agriculture, Food and Rural Affairs, provides compensation, inter alia, to livestock producers whose animals are injured or killed by wolves or coyotes. Producers apply for, and receive, compensation through the local municipal government. The Ontario Ministry of Agriculture, Food and Rural Affairs reimburses the municipality. Grants for damage to live cattle cannot exceed C$1,000 per head. Although the Ministry of Agriculture does not track the proportion of benefits under this program going to dairy cattle or beef cattle producers, the GOO has reported that beef cattle producers are believed to derive the majority of the benefits from the program.

A grant is a financial contribution as described in section 771(5)(D)(i) of the Act, which provides a benefit to recipients in the amount of the grant. Because this program is limited by law to livestock producers, poultry farmers, and beekeepers, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that these grants are countervailable within the meaning of section 771(5) of the Act.

We treated the grants received as a recurring benefit because livestock producers can expect to receive the grants every year. To calculate the benefit, we divided the total amount of grants received by the investigated provinces' total sales of live cattle during the POI. On this basis, we determine the countervailable subsidy to be 0.01 percent ad valorem.

M. Ontario Rabies Indemnification Program

This program is administered by the Farm Assistance Branch of the Ontario Ministry of Agriculture, Food and Rural Affairs. It is designed to encourage farmers to report cases of rabies in livestock by compensating livestock producers for damage caused by rabies. Farmers may receive grants up to a maximum of C$1,000 per head of cattle under this program of which 60 percent is funded by the GOO and 40 percent by the GOC.

A grant is a financial contribution as described in section 771(5)(D)(i) of the Act which provides a benefit to recipients in the amount of the grant. Because the legislation administering this program expressly makes it available only to livestock producers, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that these grants are countervailable within the meaning of section 771(5) of the Act.

We treated the grants received as a recurring benefit because farmers can expect to receive the grants every year. To calculate the benefit, we divided the total amount of grants received by the investigated provinces' total sales of live cattle during the POI. On this basis, we determine the countervailable subsidy to be less than 0.01 percent ad valorem.

N. Saskatchewan Livestock and Horticultural Facilities Incentives Program

The purpose of this program is to promote the diversification of the rural economy by encouraging investment in livestock and horticultural facilities. This program allows for an annual rebate of education and health taxes paid on building materials and stationary equipment used in livestock operations as well as greenhouses, and vegetable and raw fruit storage facilities.

A tax benefit is a financial contribution as described in section 771(5)(D)(ii) of the Act which provides a benefit to the recipient in the amount of the tax savings. Because the legislation administering this program expressly makes it available only to the livestock and horticulture industries, we preliminarily determine that the program is specific under section 771(5A)(D)(i) of the Act. Therefore, we preliminarily determine that this tax benefit is countervailable within the meaning of section 771(5) of the Act.

In calculating the benefit, we treated the tax savings as a recurring benefit and divided the tax savings received by the investigated provinces' total sales during the POI. On this basis, we preliminarily determine the countervailable subsidy to be less than 0.01 percent ad valorem.

II. Programs Preliminarily Determined To Be Not Countervailable

A. Canadian Wheat Board

The Canadian Wheat Board (''CWB'') has the exclusive authority to market Canadian wheat and barley in export markets and when sold for human consumption in Canada. The petitioner alleged that the CWB pooling system and its control over exports of feed barley send distorted market signals to Canadian farmers with the result that exports of feed barley are less than they otherwise would be and, consequently, that prices in Canada are artificially low. Although there is not an explicit export restriction as was the case in Certain Softwood Lumber Products from Canada, 57 FR 22570, 22605 (1992) (''Lumber'') and Leather from Argentina, 55 FR 40212 (1990) (''Leather''), in the petitioner's view, the CWB's actions have the same result as the export restrictions which the Department found countervailable in those cases.

The CWB operates four separate annual pool accounts for the four types of grains it markets. At the start of a pool year (August), the CWB issues initial prices that it will pay for the various grades and grains. Barley farmers look at that initial payment and the projected pool return and determine whether they want to sell their barley domestically or offer it to the CWB for export. The amount of barley offered to the CWB is solely the farmer's decision, although this decision could be influenced by the CWB's published initial price. The CWB accepted all barley offered to it for export during the POI.

The petitioner has alleged that the CWB's actions have resulted in significant price differentials for feed barley in the Canadian and U.S. markets, and that the U.S. price reflects what the price would be in Canada but for the CWB's control of exports. In making our price comparisons, we reviewed the record evidence with respect to domestic prices of feed barley (specifically, grade Number 1 CW Feed) in Canada, the prices paid by the CWB to Canadian barley farmers, the prices received by the CWB for feed barley exported to the United States, and feed barley prices in the United States (U.S. Number 2 feed). To calculate a Canadian domestic price, we took a simple average of all Canadian ''Off-Board'' prices on the record for the four provinces under investigation (information is not currently on the record to calculate a weighted average price based upon barley production in each of the four provinces). The U.S. domestic price we examined is based on quotes from Great Falls, Montana (the only U.S. domestic price series currently on the record and the U.S. pricing point used in several economic studies of U.S. and Canadian feed barley prices cited or provided in the record). All prices were quoted at an elevator or feedlot and did not include any elevation or handling charges. Therefore, we did not make any adjustments to the reported prices. We observed that the price differential between the U.S. and Canadian markets was insignificant during the POI. In fact, the Canadian domestic price was actually higher in portions of the POI and after the POI. Therefore, we preliminarily determine that, assuming arguendo that the CWB controlled exports, it did not thereby provide a benefit to Canadian producers of live cattle during the POI.

Notwithstanding the above analysis, we note that the Canadian domestic feed barley market was especially strong during the POI. Because we do not have pricing data on previous years, we cannot determine whether the POI provides a reliable basis upon which to conduct our analysis. Therefore, prior to our final determination, we intend to seek more information on historical pricing in the Canadian domestic market, CWB export prices to the United States and U.S. domestic prices. Furthermore, we intend to do a more extensive analysis of how actions of the CWB may affect market prices in Canada. The fact that there was no significant differential between export and domestic prices in the POI does not necessarily support the conclusion that the actions of the CWB have not resulted in domestic feed barley prices being lower than they otherwise would be.

We note that in a submission dated April 29, 1999, the petitioner has objected to the use of export prices to the United States reported by the CWB. We have determined that these prices can be used for our preliminary determination, but we intend to verify these reported amounts and the underlying data, and may request more detailed data.

B. Net Income Stabilization Account

The Net Income Stabilization Account (''NISA'') is designed to stabilize an individual farm's overall financial performance through a voluntary savings plan. Participants enroll all eligible commodities grown on the farm. Farmers may then deposit a portion of their net sales of eligible NISA commodities (up to three percent of net eligible sales) into individual savings accounts, receive matching government deposits (matching funds come from both the federal and provincial governments), and make additional, non-matchable deposits (up to 20 percent of net sales).

NISA provides stabilization assistance on a ''whole farm'' basis. A producer can withdraw funds from a NISA account under a stabilization or minimum income trigger. The stabilization trigger permits withdrawal when the gross profit margin from the entire farming operation falls below an historical average, based on the previous five years. If poor market performance of some products is offset by increased revenues from others, no withdrawal is triggered. The minimum income trigger permits the producer to withdraw the amount by which income from the farm falls short of a specific minimum income level.

In Live Swine From Canada; Final Results of Changed Circumstances Countervailing Duty Administrative Review, and Partial Revocation, 61 FR 45402 (August 29, 1996), we found that NISA is not de jure specific. Moreover, for hog producers, we found that NISA was not de facto specific. Therefore, the issue in this investigation is whether NISA is de facto specific with respect to cattle producers.

To make our determination, we have examined whether cattle producers are dominant users of the program, or whether cattle producers receive disproportionately large benefits under the program. We found no evidence that cattle producers are dominant users or receive disproportionate benefits from the NISA program. Specifically, the GOC provided information on farmer withdrawals of NISA funds during the POI and the two preceding years. Because NISA does not collect or maintain information concerning withdrawals on a commodity-by-commodity basis, the GOC reported farmer withdrawals by categorizing farms by the source of the majority of their revenues. That is, a farm with over fifty percent of its revenues from cattle sales was classified as a cattle farm. On this basis the GOC reported that, during the POI, cattle farms accounted for 7.7 percent by value of total withdrawals from NISA.

The petitioner also raised a concern that NISA may be regionally specific because cattle in certain provinces are not covered under the program. However, we preliminarily determine that NISA is not limited to a particular region. While several provinces choose not to participate in NISA for particular commodities, the provinces and producers of the commodity do so at their own choice, not because the program is limited to an enterprise or industry located in a particular region.

Based on the above analysis, we preliminarily determine that NISA assistance is not limited to a specific enterprise or industry, or group of enterprises or industries. Therefore, we preliminarily determine that assistance received by cattle producers under the NISA program is not countervailable.

Prior to the initiation of our investigation, the GOC announced a government initiative to aid farmers over the coming years. Information on the proposed aid indicated that it may be administered by the same body that administers NISA. Therefore, when investigating NISA, we asked whether this new aid would constitute a change in the NISA program. The GOC responded that the new program, Agriculture Income Disaster Assistance, would be separate from NISA and NISA's administration. Therefore, because the program is unrelated to NISA and no funds were distributed in the POI, we are not able to make a determination as to whether aid provided through this program constitutes a countervailable subsidy.

C. Alberta Public Grazing Lands Improvement Program

Established in 1970 and terminated in 1995, this program provided a partial credit toward the payment of rent on a public grazing land disposition if the lessee undertook certain pre-approved capital range improvement projects. The leaseholder was required to pay for all the costs incurred for these capital improvements, and was reimbursed for 25 to 50 percent of these costs through credits on the rental fees otherwise due annually. All improvements belong to the government and, once the improvements are created, the lessee is required to maintain them at his or her own expense.

In order for a financial contribution to exist under this program, the GOA must forego rental fees, or a portion thereof, that are otherwise due as described in section 771(5)(D)(ii) of the Act. However, in this case the reduction in the rental fees corresponds to range improvements on behalf of the government. Furthermore, the increased value of the land as a result of the improvements is captured upon the next setting of rental fees. Based on the above analysis, we preliminarily determine that this program does not provide a financial contribution and, therefore, we preliminarily determine that the program is not countervailable.

D. Saskatchewan Crown Land Improvement Policy

The Crown Land Improvement Policy is designed to provide rental adjustments when Crown land lease holders make capital improvements to the land, such as clearing, bush removal, or breaking and reseeding. In return for the lessee's funding of these improvements, Saskatchewan Agriculture and Food (''SAF'') agrees not to increase the rental rate for a certain period of time, depending on the length of the improvement project or may reduce the basis for rent. SAF is willing to reduce the rental rate or freeze the rate because during the improvement project the actual stocking rate of the land is lower than the potential, the improvements do not result in an immediate increase in the productive value of the land, and any improvements belong to the Crown.

In order for a financial contribution to exist under this program the GOS must forego rental fees, or a portion thereof, that are otherwise due as described in section 771(5)(D)(ii) of the Act. However, in this case the reduction in the rental fees corresponds to a reduction in the land's carrying capacity while improvements are undertaken. The increased value of the land as a result of the improvements is captured upon the next setting of rental fees. Based on the above analysis, we preliminarily determine that this program does not provide a financial contribution and, therefore, we preliminarily determine that the program is not countervailable.

Provision of Goods or Services

E. Alberta Grazing Reserve Program

Like the federal government's PFRA Community Pasture Program, Alberta developed community pastures (reserves) on which multiple ranchers' herds can graze. Traditionally, government employees supervised and managed the animals on the reserves and maintained and built range infrastructure. Grazing reserves also provided multiple-use opportunities to other users. As of April 1, 1999, the GOA no longer performs management activities on 32 of its 37 grazing reserves covering 897,920 acres of public land due to a privatization initiative. Under the privatization initiative, livestock management responsibilities were shifted to grazing associations and new negotiated fees have been established. However, during the POI, the government operated 20 reserves, accounting for 180,117 AUMs. The 17 remaining reserves were privately operated and accounted for 149,950 AUMs.

Priority in issuing permits for the public reserves is given to residents who operate a ranch or farm. The Minister of Lands and Forests establishes the amount to be paid for stock grazing on each pasture. The GOA reported that the grazing revenues obtained from this program exceed the cost of the grazing aspects of the program and cover many of the multiple-use functions of the land.

The provision of a good or service is a financial contribution as described in section 771(5)(D)(iii) of the Act. As discussed above in connection with the PFRA, a benefit is conferred in the provision of a good or service when the prices charged for government-provided goods or services are less than the prices charged by private suppliers. In the case of the Alberta Grazing Reserve Program, we preliminarily determine that the government is charging more than the private providers of the same services. Specifically, the fees charged by the private grazing associations to its members were lower than those charged by the government. Based on the above, we preliminarily determine that the government is receiving adequate remuneration for its provision of grazing services and, thus, no countervailable subsidy exists.

On a final note, the questionnaire response provided information on the costs faced by the private grazing associations. One element of these costs is a fee paid to the government for use of the land. We have examined whether this fee is in accordance with prevailing market conditions for grazing leases in Alberta. We preliminarily find that this fee is comparable to the adjusted private grazing lease price as discussed in the Alberta Crown Lands Basic Grazing Program, above. Therefore, we preliminarily determine that the government is being adequately remunerated for its provision of grazing land to grazing associations and, thus, no countervailable subsidy exists.

F. Saskatchewan Crown Lands Program

Agricultural Crown land is managed by Saskatchewan Agriculture and Food and is made available to all Saskatchewan agricultural producers for lease. Activities carried out on the land include: grazing, cultivation, community pastures, petroleum and gas leases, and sand, gravel, and quarry leases. Leases for grazing dispositions range from one to 33 year terms. As of 1997, SAF sets rental rates using a formula which takes account of the average price of cattle marketed over a period in the previous year, the average pounds of beef produced from one AUM, the AUM productivity rating of the land in question, reduced stocking expectations, and a fair return for the use of the land and resources. Lessees are responsible for paying taxes, developing and maintaining water facilities and fences, and providing for public access to the land.

The provision of a good or service is a financial contribution as described in section 771(5)(D)(iii) of the Act. As discussed above in connection with the PFRA, a benefit is conferred in the provision of a good or service when the prices charged for government-provided goods or services are less than the prices charged by private suppliers. In the case of the Saskatchewan Crown Lands Grazing Program, a simple comparison of the fees charged would not be appropriate because the grazing rights being offered by the GOS differ from those offered by private suppliers. In this regard, the GOS has provided certain quantifiable adjustments. Specifically, we adjusted the private price downward by deducting costs for the construction and maintenance of fences and water improvements, and the cost of paying property taxes. Although the GOS argued that there were other differences that should be taken into account for such things as multiple-use requirements, we have not considered making adjustments for such costs because the GOS was unable to quantify them. Comparing the public grazing lease to the adjusted private lease price, we preliminarily determine that the price for private leases is lower than the price for a public grazing lease. Therefore, we preliminarily determine that the government is adequately remunerated for its provision of grazing land and, thus, no countervailable subsidy exists.

G. Manitoba Tripartite Cattle Stabilization Program/Industry Development Transition Fund

The petitioner alleged that when the Manitoba Tripartite Cattle Stabilization Plan was terminated, the cow/calf and feeder cattle plans had surplus funds which allegedly resulted in premium refunds to producers.

In its response, the GOC stated that the producer refunds came solely from producer contributions and did not include government money. Moreover, the refund occurred in 1994, prior to the three-year AUL. Therefore, we preliminarily determine that producers did not receive a countervailable benefit during the POI.

With respect to the second part of this allegation, the Industry Development Transition Fund, the correct name for this program is the Beef Industry Development Fund and the Department declined to initiate on this program. *See* Notice of Initiation at 63 FR 71889, 71891.

Green Box Programs

The GOC has requested ''green box'' treatment for three programs which we are examining in this investigation: the Canada-Alberta Beef Industry Development Fund (''CABIDF''), the Feed Freight Assistance Adjustment Fund (''FFAF''), and the Saskatchewan Beef Development Fund (''SBDF''). Under section 771(5B)(F) of the Act, domestic support measures provided with respect to the agricultural products listed in Annex 1 to the 1994 WTO Agreement on Agriculture shall be treated as noncountervailable if the Department determines that the measures conform fully with the provisions of Annex 2 of that same Agreement. The GOC claimed that these programs meet these criteria and, therefore, funding for each program should be noncountervailable pursuant to section 771(5B)(F) of the Act. The claims made relating to CABIDF and SBDF are discussed in more detail below. Because the FFAF was not used during the POI, we do not reach the issue of green box treatment for FFAF. *See* the *Programs Preliminarily Determined To Be Not Used* section, below.

H. Canada-Alberta Beef Industry Development Fund

This fund, which was established by the GOC and the GOA in April 1997, supports research, development, and related activities connected to the beef industry in Alberta. It is administered by the Alberta Department of Agriculture, Food, and Rural Development and run by the Alberta Cattle Commission and the Alberta Agricultural Research Institute. Applicants first submit a pre-proposal application, which is evaluated by the Beef Industry Development Committee (''BIDC''), a panel consisting of five voting industry representatives and two non-voting government advisors. Projects are evaluated on the basis of the project's relationship to the Funds's research priorities, its scientific merits, and the usefulness of the project results to the beef industry, directly or indirectly. The Fund's research priorities include projects that will improve regional beef production efficiencies, enhance the ability to sustain beef production in Alberta, and increase the intellectual resources available to Alberta beef producers at educational institutions. Applicants for projects chosen by the Committee are then asked to submit a more detailed proposal, which is evaluated for technical merit by a scientific committee consisting of industry experts and scientists. The scientific committee makes its recommendations to the BIDC which, in turn, further evaluates the proposals based on the objectives listed above and either approves or rejects the proposal.

In order to determine whether CABIDF qualifies for green box treatment under section 771(5B)(F) of the Act, we examined whether CABIDF met the criteria specified in the Act and further detailed in the Department's regulations. A more detailed discussion of the Department's analysis of this issue can be found in the Department's Memorandum to Richard Moreland: ''Green Box Claims Made by the Government of Canada,'' dated May 3, 1999, which is on file in the Central Records Unit.

According to the Act and the Department's regulations, we will treat as noncountervailable domestic support measures relating to agricultural products that conform to the criteria of Annex 2 of the WTO Agriculture Agreement. The Department's regulations further state that we will determine that a particular domestic support measure conforms fully to the green box criteria in the Agreement if we find that the measure (1) is provided through a publicly-funded program (including government revenue forgone) not involving transfers from consumers; (2) does not have the effect of providing price support to producers; and (3) meets the relevant policy-specific criteria and conditions laid out in Annex 2 of the Agreement.

With regard to the first criterion, the GOC has stated that the program in question meets the requirement set forth. In the original and supplemental questionnaire responses, the GOC showed that all monies used to fund this program came directly from the government, whether on a provincial or on a federal level. Although the program's authorizing legislation allows for contributions to the Fund to come from producers, producer organizations, or other parties, the GOC reconfirmed with the Department that no funds were received from any entity other than federal and provincial governments during the POI. Those funds went directly to CABIDF applicants. No transfers from consumers were involved.

As for the second criterion, according to the questionnaire response, none of the projects that have been approved by CABIDF have the effect of providing price support to producers.

Finally, with regard to the last criterion, the policy-specific criteria that must be met are those which are listed under paragraph 2, Annex 2 of the Agriculture Agreement, which focuses on policies which involve expenditures in relation to programs which provide services or benefits to the agriculture or rural community. This includes sub-paragraph (a), which covers projects for research, including general research, research in connection with environmental programs, and research programs relating to particular products. According to its authorizing statute, the purpose of CABIDF is to ''provide financial contributions in the form of grants to enhance research and industry development activities with the objective of promoting and enhancing the competitiveness of the beef industry in Alberta.'' Twenty-nine projects have been approved for CABIDF funds since the program's creation in April 1997. Although the program's legislation allows for approval of other types of projects covered under paragraph 2 (i.e., marketing and promotion, extension and advisory services, and training), the projects that have been approved by CABIDF to date have been related to scientific research activities relating to the beef industry and the agriculture industry in general. All of the approved projects have consisted of grants, not revenue forgone, and none have been paid directly to producers or processors.

Based on the above analysis, we preliminarily find that CABIDF is eligible for green box treatment under section 771(5B)(F) of the Act, and, thus, is not countervailable. However, if an order is issued, and an administrative review requested, and any of these facts are different, we will re-examine the green box status of this program.

I. Saskatchewan Beef Development Fund

SBDF, which is administered by the Agriculture Research Branch of the Saskatchewan Ministry of Agriculture and Food, supports the development and diversification of Saskatchewan's beef industry through the funding of various projects related to production research, technology transfer, and development and promotion of new products. The ministry-appointed, producer-run governing board, the Saskatchewan Beef Development Board, meets once a year to review and approve project proposals that it deems to be of general benefit to the cattle and beef industries. Priority is given to public research institutions conducting research, development, and promotion activities that will be generally available to the industry.

As was mentioned above, the GOC has requested green box treatment for this program. In order to determine whether SBDF qualifies for green box treatment under section 771(5B)(F) of the Act, we examined whether the SBDF met the criteria specified in the Act and further laid out in the Department's regulations. A more detailed discussion of the Department's analysis of this issue can be found in the Department's Memorandum to Richard Moreland: ''Green Box Claims Made by the Government of Canada,'' dated May 3, 1999, which is on file in the Central Records Unit.

As noted above, we will treat as noncountervailable domestic support measures relating to certain agricultural products that conform to the criteria of Annex 2 of the WTO Agriculture Agreement. Under the Department's regulations, a particular domestic support measure conforms fully to the green box criteria in the Agreement if we find that the measure (1) is provided through a publicly-funded program (including government revenue forgone) not involving transfers from consumers; (2) does not have the effect of providing price support to producers; and (3) meets the relevant policy-specific criteria and conditions laid out in Annex 2 of the Agreement.

With regard to the first criterion, the GOC has stated that this program meets the necessary requirements. In the original and supplemental questionnaire responses, the GOC indicated that all monies used to fund this program came directly from the government, whether on a provincial or on a federal level. Those funds went directly to SBDF applicants. No transfers from consumers were involved.

As for the second criterion, according to the questionnaire responses, none of the projects that have been approved by SBDF have the effect of providing price support to producers.

Finally, with regard to the last criterion, the policy-specific criteria that must be met are those which are listed under paragraph 2, Annex 2 of the Agriculture Agreement. This includes the criteria set forth in sub-paragraphs (a), (c), (d), and (f) of paragraph 2, which focus on programs relating to research, training services, extension and advisory services, and marketing and promotion services. The regulations governing SBDF state that the purpose of the fund is to provide for the enhancement of the Saskatchewan beef and beef cattle industry through research, development, and promotional activities that the board considers to be in the best interests of the industry. The vast majority of projects that have been approved by SBDF to date have been related to scientific research activities relating to the beef industry and the agriculture industry in general. Programs related to training services, marketing and promotion service, and extension and advisory services were also considered and approved. All of these approved projects have consisted of grants, not revenue forgone, and none have been paid directly to producers or processors.

Based on the above analysis, we preliminarily find that SBDF is eligible for green box treatment under section 771(5B)(F) of the Act and, thus, is not countervailable. However, if an order is issued, and an administrative review requested, and any of these facts are different, we will re-examine the green box status of this program.

III. Programs Preliminarily Determined To Be Not Used

Based upon the information provided in the responses, we determine that the producers of the subject merchandise under investigation did not apply for or receive benefits under the following programs during the POI.

A. Feed Freight Assistance Adjustment Fund

Of the four responding provinces in this investigation, only one, Ontario, participated in the Feed Freight Assistance Adjustment Fund program. Specifically, in the year prior to the POI, the first year of the FFAF, a grant was provided to Ontario producers. However, because the benefit was below 0.50 percent of the investigated provinces' total sales, we expensed this grant in the year received. Thus, cattle producers received no benefit during the POI from grants received prior to the POI. During the POI, the respondents reported that Ontario did not receive benefits under FFAF. Therefore, we preliminarily determine that the FFAF program was not used during the POI.

B. Canadian Adaptation and Rural Development (CARDS) Program in Saskatchewan

C. Western Diversification Program

IV. Programs Preliminarily Determined To Be Terminated

A. Ontario Export Sales Aid Program

V. Other Programs Reviewed

The GOC demonstrated that, for the following programs, any benefit to the subject merchandise would be so small that there would be no impact on the overall subsidy rate, regardless of a determination of countervailability. In light of this, we do not consider it necessary to determine whether benefits conferred under these programs to the subject merchandise are countervailable.

A. Ontario Bear Damage to Livestock Compensation Program

B. Ontario Livestock Programs for Purebred Dairy Cattle, Beef, and Sheep Sales Assistance Policy/Swine Assistance Policy

C. Ontario Artificial Insemination of Livestock Act

Verification

In accordance with section 782(i) of the Act, we will verify the information submitted by the respondent prior to making our final determination.

Summary

The total estimated preliminary net countervailable subsidy rate for all producers or exporters of live cattle in Canada is 0.38 percent ad valorem, which is de minimis. Therefore, we preliminarily determine that countervailable subsidies are not being provided to producers, or exporters of live cattle in Canada.

ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary, Import Administration.

If our final determination is affirmative, the ITC will make its final determination within 75 days after the Department makes its final determination.

Public Comment

In accordance with 19 CFR 351.310, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on this preliminary determination. The hearing is tentatively scheduled to be held 62 days from the date of publication of this notice in the **Federal Register** at the U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Individuals who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, N.W., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Requests for a public hearing should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and, (3) to the extent practicable, an identification of the arguments to be raised at the hearing. In addition, six copies of the business proprietary version and six copies of the nonproprietary version of the case briefs must be submitted to the Assistant Secretary no later than 50 days from the date of publication of the preliminary determination. As part of the case brief, parties are encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Six copies of the business proprietary version and six copies of the nonproprietary version of the rebuttal briefs must be submitted to the Assistant Secretary no later than 55 days from the date of publication of the preliminary determination. An interested party may make a hearing presentation only on arguments included in that party's case or rebuttal briefs. Written arguments should be submitted in accordance with 19 CFR 351.309 and will be considered if received within the time limits specified above.

This determination is published pursuant to sections 703(f) and 777(i) of the Act.

Dated: May 3, 1999.

Robert LaRussa,

Assistant Secretary for Import Administration

[FR Doc. 99–11887 Filed 5–10–99; 8:45 am]

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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

[C–423–809 (Belgium), C–475–823 (Italy), C–791–806 (South Africa)]

Notice of Amended Final Determinations: Stainless Steel Plate in Coils from Belgium and South Africa; and Notice of Countervailing Duty Orders: Stainless Steel Plate in Coils from Belgium, Italy and South Africa

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

EFFECTIVE DATE: May 11, 1999.

FOR FURTHER INFORMATION CONTACT: Zak Smith (Belgium), Cynthia Thirumalai (Italy) or Dana Mermelstein (South Africa), Office of AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0189, (202) 482–4087 and (202) 482–0984, respectively.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 (the Act). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations codified at 19 CFR part 351 (April 1998).

Scope of Orders

The product covered by these orders is certain stainless steel plate in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (*e.g.*, cold-rolled, polished, *etc.*) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of these orders are the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. In addition, certain cold-rolled stainless steel plate in coils is also excluded from the scope of these orders. The excluded cold-rolled stainless steel plate in coils is defined as that merchandise which meets the physical characteristics described above that has undergone a cold-reduction process that reduced the thickness of the steel by 25 percent or more, and has been annealed and pickled after this cold reduction process.

The merchandise subject to these orders is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7219.11.00.30, 7219.11.00.60, 7219.12.00.05, 7219.12.00.20, 7219.12.00.25, 7219.12.00.50, 7219.12.00.55, 7219.12.00.65, 7219.12.00.70, 7219.12.00.80, 7219.31.00.10, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.11.00.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the orders is dispositive.

Amended Final Determinations

Belgium

In accordance with section 705(d) of the Act, on March 31, 1999, the Department published its final determination in the countervailing duty investigation of stainless steel plate in coils from Belgium (64 FR 15567) (*Belgium Final*). Subsequently, on April 5, 1999, the petitioners submitted ministerial-error allegations.

The petitioners allege that the Department neglected to include all relevant years in its net present value calculation when calculating the benefit from the loan provided to Alfin, pursuant to the Industrial Reconversion Zone program. Furthermore, the petitioners allege that, when allocating the benefit from this loan, the Department did not use the proper discount rate. The respondent did not object to the petitioners' allegations. We agree with the petitioners on both counts and have made the necessary adjustments. On this basis, we determine the countervailable subsidy rate for this program to be 0.18 percent ad valorem.