

reason of imports of certain cold-rolled flat-rolled carbon-quality steel products from Brazil, Indonesia, Thailand, and Venezuela. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, the investigations will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 777(i) of the Act.

Date: June 21, 1999.

**Robert S. LaRossa,**

*Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-122-404]

#### Preliminary Results of Full Sunset Review: Live Swine From Canada

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

**ACTION:** Notice of preliminary results of full sunset review: Live swine from Canada.

**SUMMARY:** On December 2, 1998, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty order on live swine from Canada (63 FR 66527) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate filed on behalf of a domestic interested party and substantive comments filed on behalf of a domestic interested party and three respondent interested parties, the Department is conducting a full (240 day) review. As a result of this review, the Department preliminarily finds that termination of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The net countervailable subsidy and the nature of the subsidy are identified in the Preliminary Results of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:** Scott E. Smith or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution Avenue, Washington, D.C. 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** June 25, 1999.

## Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*") and in 19 C.F.R. Part 351 (1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

## Scope

The merchandise subject to this countervailing duty order is shipments of live swine, except U.S. Department of Agriculture ("USDA") certified purebred breeding swine, slaughter sows and boars, and weanlings from Canada.<sup>1</sup> Weanlings are swine weighing up to 27 kilograms or 59.5 pounds.<sup>2</sup>

The merchandise subject to the order is currently classifiable under the Harmonized Tariff Schedule ("HTS") item numbers 0103.91.00 and 0103.92.00. The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

## Background

On December 2, 1998, the Department initiated a sunset review of the countervailing duty order on live swine from Canada (63 FR 66527), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of the National Pork Producers Council ("NPPC")<sup>3</sup> on

<sup>1</sup> On August 29, 1996, the Department issued the final results of a changed circumstances review revoking the order, in part, with respect to slaughter sows and boars. The revocation became effective on April 1, 1991 (see *Live Swine from Canada: Final Results of Changed Circumstances Countervailing Duty Administrative Review, and Partial Revocation In Part of Countervailing Duty Order*, 61 FR 45402 (August 29, 1996)).

<sup>2</sup> In the *Final Affirmative Countervailing Duty Determination; Live Swine and Fresh, Chilled and Frozen Pork Products from Canada*, 50 FR 25097 (June 17, 1985), the Department also calculated a net subsidy for dressed-weight swine. However, the Department terminated its investigation with respect to fresh, chilled, and frozen pork products from Canada based on a finding by the Commission that no material injury, threat of material injury, or retardation of an infant industry existed.

<sup>3</sup> The NPPC is a trade organization representing U.S. hog and pork producers through a federation of 44 affiliated state pork producer associations with a total membership of 85,000. NPPC's

December 17, 1998, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The NPPC claimed interested party status under 19 U.S.C. 1677(9)(C) and (F), as an association whose members are producers of live swine. In addition, the NPPC notes that it was the original petitioner in the underlying investigation. We received complete substantive responses from the NPPC, the Gouvernement du Quebec ("GOQ"), the Government of Canada ("GOC") and the Canadian Pork Council and its Members ("CPC") on January 6, 1999, within the deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i).

In their substantive responses, the GOQ and the GOC claimed interested party status under 19 U.S.C. 1677(9)(B), as a provincial and national government, respectively, of the country in which the subject merchandise is produced and from which it is exported. The GOQ also claimed interested party status under 19 U.S.C. 1677(3). The CPC claimed interested party status, under 19 U.S.C. 1677(9)(A), as a council whose members are hog producing organizations whose registered members are producers of the subject merchandise. The CPC also stated that a majority of its member organizations also serve as importers of record of the subject merchandise, whose imports are supplied by their registered producers. The Department, on January 13, 1999, received timely rebuttals from the NPPC, the GOQ, the GOC, and the CPC.

Because the Department received complete substantive responses from a domestic interested party and from the Canadian Government (both the GOC and the GOQ), and the CPC, and in accordance with section 351.218(e)(2)(i) of the *Sunset Regulations*, the Department is conducting a full (240 day) sunset review.

The Department determined that the sunset review of the countervailing duty order on live swine from Canada is extraordinarily complicated. In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). (See section 751(c)(6)(C) of the Act.) Therefore, on March 22, 1999, the Department extended the time limit for completion of the preliminary results of this review until not later than June 21,

membership consists of small family farms and large hog operations.

1999, in accordance with section 751(c)(5)(B) of the Act.<sup>4</sup>

### Determination

In accordance with section 751(c)(1) of the Act, the Department is conducting this review to determine whether termination of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. Section 752(b) of the Act provides that, in making this determination, the Department shall consider the net countervailable subsidy determined in the investigation and subsequent reviews, and whether any change in the program which gave rise to the net countervailable subsidy has occurred that is likely to affect that net countervailable subsidy. Pursuant to section 752(b)(3) of the Act, the Department shall provide to the International Trade Commission ("the Commission") the net countervailable subsidy likely to prevail if the order is revoked. In addition, consistent with section 752(a)(6), the Department shall provide to the Commission information concerning the nature of the subsidy and whether the subsidy is a subsidy described in Article 3 or Article 6.1 of the Subsidies Agreement.

The Department's determinations concerning continuation or recurrence of a countervailable subsidy, the net countervailable subsidy likely to prevail if the order is revoked, and nature of the subsidy are discussed below. In addition, parties' comments with respect to each of these issues are addressed within the respective sections.

### Continuation or Recurrence of a Countervailable Subsidy

#### Party Comments

In its substantive response, the NPPC states that there is a strong likelihood that, were the countervailing duty order on live swine from Canada revoked, a countervailable subsidy would continue or recur. The NPPC claims that there are a number of Canadian hog subsidies currently in place and there is evidence that suggests the possibility of additional subsidies in the future. Further, the NPPC argues that the Canadian government has a history of replacing terminated programs with new ones and, for these reasons, the Department should not revoke the order on live swine from Canada.

The NPPC argues that the history and scope of subsidization of live swine from Canada demonstrates that

subsidies will recur absent continuation of the order. The NPPC asserts that the Canadian federal and provincial governments have maintained a large number of subsidies intended to benefit pork producers and that the number of subsidies have increased over time. Further, the NPPC argues, as indicated in the Statement of Administrative Action ("the SAA") H.R. Doc. No. 103-316, vol. 1 at 888 (1994), that continuation of a program is highly probative of the likelihood of continuation or recurrence of countervailable subsidies. Given the continued maintenance of a number of subsidy programs, the NPPC argues that the Department should conclude that a CVD order is necessary to prevent subsidies from continuing.

The NPPC also questions the method with which the Canadian federal and provincial governments terminate pork subsidy programs and, more importantly, the permanence of such terminations. The NPPC states, citing the *Sunset Policy Bulletin*, that the Department should consider the legal method by which the government eliminated the program and whether the government is likely to reinstate the program. The NPPC claims that the governments have demonstrated a pattern of eliminating and then replacing pork subsidy programs with new ones (e.g., according to the NPPC, the National Tripartite Stabilization Plan was terminated and then replaced, for all intents and purposes, with the National Transition Scheme). The NPPC claims that, due to this factor, the small number of programs that have been eliminated have had little, if any, effect on the overall subsidization of the Canadian pork industry. The NPPC argues that as long as programs exist there is a real possibility of continued subsidization. The NPPC further claims that termination through administrative action, rather than through legislative means, is insufficient for the Department to determine that the program has indeed been terminated (e.g., the Ontario Export Sales Program). In addition, the Department should not find programs terminated that have simply not been funded for a particular period or have expired (e.g., the Alberta Livestock and Beeyard Compensation Program and the Canada/Ontario Western Agribition Livestock Transportation Assistance Program, respectively).

The NPPC also argues that there is a possibility of additional subsidies for Canadian hog producers that further supports the likelihood of continued subsidization. The NPPC notes that extremely low hog prices currently exist

in North America and that the Department has recognized this situation as a trigger for subsidies. Further, the NPPC provided Canadian newspaper articles which suggest that the Canadian federal and provincial governments are discussing the possibility of establishing new subsidies for Canadian swine producers.

In addition, the NPPC claims that the Department should examine certain subsidies given to Canadian cattle producers in the context of swine subsidization. The NPPC argues that there are several programs being investigated by the Department in the ongoing investigation of cattle from Canada which may be applicable to swine. However, the NPPC notes that the Department has not yet made any determination on whether these programs confer countervailable benefits to cattle or swine. Nevertheless, the NPPC argues that Department should consider the existence of these programs in its sunset determination of live swine from Canada.

The NPPC notes that, over the life of this order, the level of subsidization for subject merchandise has reached a *de minimis* level on three occasions. It argues that three instances of *de minimis* subsidy rates, out of thirteen, are insufficient to determine that subsidies have permanently reached *de minimis* levels and that the CVD order is unneeded.

In their substantive responses, the GOC, GOQ, and the CPC argue that the likely effect of revocation is that the value of any countervailable subsidy would continue to be *de minimis*, or, effectively zero. The three respondents argue collectively that net benefits conferred by any remaining countervailable subsidies are so small as to be effectively non-existent.

The GOC and the CPC claim that the Department has reviewed 43 different federal and provincial subsidy programs since the original investigation in 1985. Of these, 28 have been found by the Department to have been terminated, with no residual benefits or replacement programs. Of the remaining 15 programs, eight have been determined not to provide countervailable benefits to live swine. Finally, of the remaining seven programs, four have been found in the most recently completed administrative review of the order (63 FR 47235, September 4, 1998) to convey *de minimis* benefits. The last three programs, according to the respondents, were found by the Department to have not been used. The GOC and the CPC assert that the *de minimis* benefits conferred on producers and the non-use of the remaining three programs

<sup>4</sup> See *Live Swine From Canada: Extension of Time Limit for Preliminary Results of Five-Year Review*, 64 FR 14884 (March 29, 1999).

indicate that revocation of the order would not lead to continuation or recurrence of countervailable subsidies.

The GOC and the CPC also argue that the programs terminated over the life of the order accounted for nearly all of the subsidization applicable to live swine. Termination of these and other programs led to the *de minimis* deposit and subsidy rates in the most recently completed reviews.

The GOQ echoes many of the same arguments as the GOC and the CPC. The submissions of the GOQ, however, deal more directly with the subsidy programs of Quebec. The GOQ asserts that, of the seven programs found by the Department to confer countervailable subsidies in the final results of the latest administrative review (63 FR 47235, September 4, 1998), none was a Quebec program and only one was a national program (the National Transition Scheme for Hogs Program). According to the GOQ, this last remaining national program was terminated prior to the completion of the latest administrative review and has now been found to confer no benefits to hog producers.

The GOQ also claims that three other programs, two of which were created by the GOQ, were found to have no impact on the net subsidy rate from the latest administrative review because the benefits conveyed were too small. These two programs were the Technology Innovations Program and the Support for Strategic Alliances Program.<sup>5</sup> According to the GOQ, hog producers, as of March 31, 1998, can no longer apply for benefits under the Technology Innovations Program. As for the Support for Strategic Alliances Program, the GOQ states that it expired on March 31, 1998.

Finally, the GOQ notes that the Department examined another Quebec program in the latest administrative review—Quebec's Farm Income Stabilization Insurance program ("FISI"). The GOQ states that the Department found this program not to be used because no hogs benefiting from FISI were exported to the United States. Moreover, the GOQ claims that FISI has not been used with respect to hogs exported to the United States, from April 1, 1996 to the present.

Collectively, the GOQ, GOC, and CPC argue that, in light of the criterion for revocation as outlined in the *Sunset Policy Bulletin*, the termination without replacement of all major countervailed programs, combined with the findings

of non-countervailability, non-usage, and no impact of the remaining programs, compels the conclusion that subsidies would not be likely to continue or recur were the order to be revoked (see January 6, 1999, Substantive Response of the GOC).

#### *Parties' Rebuttal Comments*

In its rebuttal, the NPPC argues that the GOC, GOQ, and CPC assessments of the likelihood of continued subsidization is flawed because it focuses on active, "non-terminated" countervailable subsidy programs and ignores those subsidies that continue to exist, but have been found to be "not used." The NPPC asserts that such an assessment is invalid with respect to the Department's determination of whether subsidization will continue. They argue that a program determined to confer benefits in one period may provide benefits in another and that the distinction between these "sets" of programs is irrelevant.

The NPPC also argues that the GOC and CPC are incorrect in claiming that there have been no replacements for programs that have been terminated over the life of the order. The NPPC asserts that the fact that some programs have been terminated while other new countervailable programs have been created demonstrates that there has been replacement of terminated programs.

The CPC, GOQ, and GOC assert that the NPPC has incorrectly reported the most recent administrative review as covering 27 subsidy programs. The respondents argue that the NPPC has reported that 27 countervailable programs continue to exist, but has ignored the fact that many of these programs never existed, were never used by hog producers, or never provided countervailable benefits. Further, the CPC argues that the NPPC's attempts to discredit the Department's findings concerning program terminations is not only unfounded, but has already been resolved in the most recent administrative review (63 FR 47235, September 4, 1998).

The GOQ, GOC, and CPC argue that the NPPC's allegations concerning the possible future creation of countervailable subsidies is irrelevant. First, the respondents' argue that there is no credible evidence to suggest that new countervailable subsidy and/or price stabilization programs are likely to be created. Second, respondents argue that the NPPC has failed to provide "good cause" for the Department to consider any programs not previously examined by the Department. Therefore, such accusations should play no part in

the Department's likelihood and net subsidy determinations.

#### *Department's Determination*

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the SAA, H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the basis for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis (see section III.A.2 of the *Sunset Policy Bulletin*). Additionally, the Department normally will determine that revocation of a countervailing duty order is likely to lead to continuation or recurrence of a countervailable subsidy where (a) a subsidy program continues, (b) a subsidy program has been only temporarily suspended, or (c) a subsidy program has been only partially terminated (see section III.A.3.a of the *Sunset Policy Bulletin*). Exceptions to this policy are provided where a company has a long record of not using a program (see section III.A.3.b of the *Sunset Policy Bulletin*).

In its final affirmative countervailing duty determination (50 FR 25097, June 17, 1985), the Department determined that the net subsidy from the 23 programs investigated for live swine from Canada was Can\$0.02602/lb. (bonding rate Can\$0.04390/lb.).<sup>6</sup> Since

<sup>6</sup>In the *Final Affirmative Countervailing Duty Determination; Live Swine and Fresh, Chilled and Frozen Pork Products from Canada*, 50 FR 25097 (June 17, 1985), the Department also calculated a net subsidy for dressed-weight swine of Can\$0.03272/lb. (bonding rate Can\$0.025523/lb.). However, the Department terminated its investigation with respect to fresh, chilled, and frozen pork products from Canada based on a finding by the Commission that no material injury, threat of material injury, or retardation of an infant industry existed. Further, on August 29, 1996, the Department issued the final results of a changed circumstances review revoking the order, in part, with respect to slaughter sows and boars. The revocation became effective on April 1, 1991 (see *Live Swine from Canada; Final Results of Changed Circumstances Countervailing Duty Administrative Review, and Partial Revocation In Part of Countervailing Duty Order*, 61 FR 45402 (August 29, 1996)). The programs determined by the Department in the original investigation to confer, or have the potential to confer, countervailable subsidies were:

1. Agricultural Stabilization Act
2. Record of Performance Program
3. Quebec Special Credits for Hog Producers
4. Prince Edward Island Interest Payments on Assembly Yard Loan
5. Saskatchewan Hog Assured Returns

<sup>5</sup>Despite the Department's treatment of these two programs as separate, the GOQ claims that these programs are not separate programs but represent two of the three components of the Canada/Quebec Subsidiary Agreement on Agri-Food Development.

the original investigation in 1985, the Department has determined, during various administrative reviews of this order, that a number of the programs examined in the original investigation have been terminated.<sup>7</sup> Furthermore, the Department has determined, in the final results of administrative reviews, that some of the remaining programs from the original investigation do not confer countervailable benefits.<sup>8</sup> The

6. British Columbia Farm Income Insurance Plan
7. Manitoba Hog Income Stabilization Plan
8. New Brunswick Hog Price Stabilization Plan
9. Newfoundland Hog Price Support Program
10. Nova Scotia Pork Price Stabilization Program
11. Prince Edward Island Price Stabilization Program
12. Quebec Farm Income Stabilization Insurance Programs
13. New Brunswick Swine Assistance Program
14. New Brunswick Livestock Incentives Program
15. New Brunswick Hog Marketing Program
16. Saskatchewan Financial Assistance for Livestock and Irrigation
17. Nova Scotia Swine Herd Health Policy
18. Nova Scotia Transportation Assistance
19. Ontario Farm Tax Reduction Program
20. Ontario (Northern) Livestock Programs
21. Prince Edward Island Hog Marketing and Transportation Subsidies
22. Quebec Meat Sector Rationalization Program
23. Prince Edward Island Swine Development Program

<sup>7</sup> The Department has determined that the following programs, examined in the original investigation, have been terminated with no present residual benefits:

1. Hog Stabilization Payments under Agricultural Stabilization Act (Tripartite Agreement) (terminated prior to April 1, 1994) (62 FR 18087, April 14, 1997)
2. Ontario (Northern) Livestock Programs (terminated April 1, 1991) (58 FR 54112, October 20, 1993)
3. Prince Edward Island Interest Payments on Assembly Yard Loan (terminated prior to April 1, 1991) (61 FR 26879, May 29, 1996)
4. Saskatchewan Hog Assured Returns (terminated March 31, 1991) (62 FR 47460, September 9, 1997)
5. British Columbia Farm Income Insurance Plan (terminated July 2, 1994) (61 FR 52426, October 7, 1996)
6. Manitoba Hog Income Stabilization Plan (terminated June 28, 1986) (53 FR 22189, June 14, 1988)
7. New Brunswick Hog Price Stabilization Plan (terminated March 31, 1991) (61 FR 26889, May 29, 1996)
8. Nova Scotia Pork Price Stabilization Program (terminated prior to March 31, 1991) (58 FR 54112, October 20, 1993)
9. Prince Edward Island Price Stabilization Program (terminated prior to March 31, 1991) (59 FR 12243, March 16, 1994)
10. New Brunswick Swine Assistance Program (program transferred to New Brunswick Swine Industry Financial Restructuring Program; 62 FR 47460, September 9, 1997 (see footnote #11))
11. Nova Scotia Swine Herd Health Policy (terminated March 31, 1996) (62 FR 47460, September 9, 1997)

<sup>8</sup> Of the 23 programs originally investigated, the following have been determined by the Department not to confer countervailable benefits:

1. New Brunswick Hog Marketing Program (determination 55 FR 20812, May 21, 1990)

Department finds that there are four countervailable subsidy programs from the original investigation which continue to exist.<sup>9</sup>

In addition, the Department can confirm, through the final results of administrative reviews, that there are several countervailable subsidy programs created by the national and provincial governments of Canada after the original investigation. A number of these programs are also still in existence.<sup>10</sup>

2. Ontario Farm Tax Reduction Program (determination 61 FR 26888, May 29, 1996)
  3. Quebec Meat Sector Rationalization Program (determination 50 FR 25097, June 17, 1985; 50 FR 32880, August 15, 1985))
  4. Prince Edward Island Hog Marketing and Transportation Subsidies (determination 55 FR 20812, May 21, 1990)
  5. Record of Performance Program (determination 54 FR 651, January 9, 1989)
  6. Nova Scotia Transportation Assistance Program (determination 53 FR 22189, June 14, 1988)
  7. Prince Edward Island Swine Development Program (determination 55 FR 20812, May 21, 1990)
  8. Saskatchewan Financial Assistance for Livestock and Irrigation (determination 53 FR 22189, June 14, 1988)
  9. Quebec Special Credits for Hog Producers (determination 53 FR 22189, June 14, 1988)
- In the original investigation (50 FR 25097, June 17, 1985), the Department determined that the Quebec Meat Sector Rationalization Program conferred benefits for the establishment, standardization, expansion, or modernization of slaughterhouses, processing plants, or plants preparing foods that contain meat. Because this program only confers benefits to those producers/exporters of fresh, chilled and frozen pork products, it is not applicable to producers/exporters of live swine.

<sup>9</sup> Of the 23 programs originally investigated, the following countervailable programs continue to exist:

1. Ontario Sales Swine Assistance (determined to confer benefits in the original investigation; 50 FR 25097, June 17, 1985)
2. Quebec Farm Income Stabilization Program (determined to confer benefits in original investigation; 50 FR 25097, June 17, 1985)
3. New Brunswick Livestock Incentives Program (determined to confer benefits in original investigation; 50 FR 25097, June 17, 1985)
4. Newfoundland Hog Price Support Program (determined to confer benefits in the original investigation; 50 FR 25097, June 17, 1985)

<sup>10</sup> The following are countervailable subsidy programs still in existence and created after the imposition of the order, which have not been officially terminated, and which confer, or have the potential to confer, countervailable benefits:

1. Nova Scotia Improved Sire Program (identified in 86/87 review; 56 FR 10410, March 12, 1991)
2. Technology Innovation Program Under the Agri-Food Agreement (identified in 94/95 review; 62 FR 18087, April 14, 1997)
3. Ontario Livestock and Poultry and Honeybee Compensation Program (identified in 89/90 review; 56 FR 50560, October 7, 1991)
4. Ontario Bear Damage to Livestock Compensation Program (identified in 94/95 review; 62 FR 18087, April 14, 1997)
5. Ontario Rabies Indemnification Program (identified in 89/90 review; 56 FR 29224, June 26, 1991)
6. New Brunswick Swine Industry Financial Restructuring Program (identified in the 85/86 review; 53 FR 22189, June 14, 1988)

As claimed by the GOQ, one countervailable subsidization program examined in the original investigation, the Quebec Farm Income Stabilization Insurance Program, is not currently being used. In addition, two subsidy programs created after the imposition of the order are also not currently being used. However, current use is not the standard employed by the Department in sunset reviews. As stated in the *Sunset Policy Bulletin*, "where a company has a long track record of not using a program, including during the investigation, the Department normally will determine that the mere availability of the program does not, by itself, indicate likelihood of continuation or recurrence of a countervailable subsidy." Therefore, with respect to the three programs addressed by the GOQ, the Department preliminarily determines that these three programs do not have a "long track record" of non-use.<sup>11</sup>

With respect to the termination of programs, the Department has preliminarily determined, in this case, to follow prior administrative review determinations concerning terminated programs. In these prior determinations, the Department addressed evidence demonstrating that programs were terminated and not merely suspended. In addition, the Department addressed the NPPC's arguments concerning the

7. Western Diversification Program (identified in 89/90 review; 56 FR 50560, October 7, 1991)

8. Support for Strategic Alliances Program Under the Agri-Food Agreement (determined to confer benefits prior to 94/95 review; 62 FR 18087, April 14, 1997)

9. Agricultural Products Board Program (identified in 91/92 review; 61 FR 52408, October 7, 1996)

10. Newfoundland Weanling Bonus Incentive Policy (identified in 86/87 review; 56 FR 10410, March 12, 1991)

11. Newfoundland Hog Price Stabilization Program (determined to confer benefits in April 1985)

12. Federal Atlantic Livestock Feed Initiative (identified in 91/92 review; 61 FR 52408, October 7, 1996)

13. Newfoundland Farm Products Corporation Hog Price Support Program (identified in 96/97 review; 63 FR 23723, April 30, 1998 and 63 FR 47235, September 4, 1998)

<sup>11</sup> The three programs are: (1) The Ontario Bear Damage to Livestock Compensation Program, (2) the Ontario Rabies Indemnification Program and (3) the Quebec Income Stabilization Program. The last known use of the Ontario Bear Damage to Livestock Compensation Program was during the 1994/1995 Administrative Review (63 FR 2204, January 14, 1998). The last known use of the Quebec Farm Income Stabilization Insurance Program was April 1, 1996 (see Substantive Response of GOQ at 11). The last known use of the Ontario Rabies Indemnification Program was during the 1993/1994 Administrative Review (61 FR 52408, October 7, 1996; Amended, 61 FR 58383, November 14, 1996). The Department finds the recent use of these three programs does not constitute a long track record of non-use.

Department's criteria and/or methodology in determining whether a program had been terminated (see *Live Swine from Canada; Final Results of Countervailing Duty Administrative Review*, 63 FR 47235 (September 4, 1998)).

With respect to the NPPC's argument that certain programs were terminated solely through administrative action, the Department agrees that the elimination of a program administratively is not as strong a basis for termination as elimination through legislative action (see *Sunset Policy Bulletin*). However, where a program was put in place administratively, it is reasonable to expect that the government would terminate the program in the same manner (see *Final Results of Expedited Sunset Review: Heavy Iron Construction Castings from Brazil*, 64 FR 30313 (June 7, 1999)). In these circumstances, unless there is a basis for concluding that the government is likely to reinstate the program, we believe it is appropriate to treat the program as terminated. The NPPC has argued that reinstatement will be likely in this case because many new programs have been put in place during the life of the order. In this case, the record does not indicate a connection between the programs that have been terminated and the new programs. Therefore, the Department does not view the creation of new programs as supporting the conclusion that terminated programs will be reinstated.

The Department finds that the continued existence of countervailable subsidies is highly probative of the likelihood of continuation or recurrence of countervailable subsidies. Because the Government of Canada currently maintains countervailable subsidy programs, as acknowledged by the GOC, the GOQ, and the CPC, and as evidenced by the most recent administrative review, because there are programs that have not been officially terminated, and because no program has a "long track record" of non-use, the Department finds that there is a likelihood of continuation or recurrence of a countervailable subsidy if the order were to be revoked. As noted above, there are countervailable subsidy programs created after the imposition of the order which continue to exist.<sup>12</sup> The Department finds that the creation and maintenance of countervailable subsidies after the imposition of the order strongly suggests and supports the conclusion that revocation of the order would likely lead to continuation or recurrence of countervailable subsidies.

Because the Department is basing its likelihood determination on the current existence and maintenance of countervailable subsidy programs benefitting, or potentially benefitting, swine producers and/or exporters by the federal and provincial governments of Canada, the Department finds no reason to examine programs which have not been previously reviewed by the Department.

### Net Countervailable Subsidy

#### Party Comments

The NPPC argues that the net subsidy calculated in the original investigation of live swine from Canada is not representative of the net subsidy likely to prevail if the order were revoked. Instead, the NPPC asks that, as stipulated in the *Sunset Policy Bulletin*, the Department use a more recently calculated rate. The NPPC states that there are several factors that require adjustment of the original subsidy rate (see Substantive Response of NPPC at 16). The NPPC argues that the chief subsidy programs driving this order have always been stabilization programs. These programs are designed to increase payments to producers when market prices fall below support prices. The NPPC claims that, as hog prices are at historically low levels, subsidy payments will be at historically high levels. Furthermore, the NPPC states that Canadian federal and provincial governments are currently considering additional subsidy programs in response to the hog crisis. Lastly, the NPPC argues that a review of the case history indicates that only a few of the programs from the original investigation continue to exist and the majority of the countervailable programs which exist at present are programs created after the imposition of the order.

For these reasons, the NPPC argues that the Department should not use the net subsidy from the original investigation, but instead should use the net subsidy rate from the seventh or eighth administrative review.<sup>13</sup> The NPPC argues that these reviews cover the largest number of programs ever investigated and also resulted in high net subsidy rates as a result of price stabilization programs. Alternatively, the NPPC suggests the Department use the net subsidy from the fifth

administrative review as it represents the highest rate ever calculated.<sup>14</sup>

The GOC and CPC agree with the NPPC about the use of a net subsidy rate other than that calculated in the original investigation. The GOC and CPC argue, collectively, that the net subsidy from the original investigation is not reflective of the rate likely to prevail if the order were revoked. They point out that a number of the programs examined in the original investigation have since been terminated or deemed non-countervailable, and that adjustments would need to be made to this rate to reflect these changes. Collectively, the respondents argue that the net subsidy likely to prevail, after these corrections have been made, will be *de minimis* or, effectively zero.

The GOQ also argues that the net subsidy likely to prevail will be *de minimis* and, therefore, the order should be revoked. The GOQ argues that as subsidy programs have been terminated, consistently not used, determined to be non-countervailable, and created throughout the life of the order, the rate from the investigation as well as from any final results of administrative review would not accurately reflect the net subsidy likely to prevail if the order were revoked.

#### Parties' Rebuttal Comments

With respect to the net countervailable subsidy likely to prevail, the NPPC argues that the GOC, GOQ, and CPC incorrectly focus on the most recent subsidy rates calculated for the order. According to the NPPC, the Department's regulations clearly state that the original investigation should be the starting point for predicting future subsidy rates as these are the only rates that reflect the behavior of exporters and foreign governments without the discipline of the order. In their focus on this most recent rate, the NPPC argues, the respondents have ignored the fluctuations in the benefit levels which have occurred over the life of order.

The CPC claims that the NPPC's suggested choice of net subsidy rates for the Department are unsupported by the record. The CPC argues that several of the programs included in the calculation of these rates have since been terminated and, therefore, the net subsidy rates from the NPPC's suggestions are invalid. Lastly, the GOC reiterates its argument that the net

<sup>13</sup> The net subsidy from the seventh administrative review is Can\$0.0587/lb. and the net subsidy from the eighth administrative review is Can\$0.0611/lb. (See *Live Swine from Canada; Final Results of Countervailing Duty Administrative Review*, 61 FR 52408 (October 7, 1996) and *Live Swine from Canada; Amended Final Results of Countervailing Duty Administrative Review*, 61 FR 58383 (November 14, 1996)).

<sup>14</sup> The net subsidy from the fifth administrative review is Can\$0.0927/lb. (See *Live Swine from Canada; Final Results of Countervailing Duty Administrative Review*, 56 FR 50560 (October 7, 1991) and *Live Swine from Canada; Amended Final Results of Countervailing Duty Administrative Review*, 58 FR 47123 (September 7, 1993)).

<sup>12</sup> See *supra* n.11. and accompanying text.

subsidy rate from the original investigation is an inappropriate choice as the rate likely to prevail if the order were revoked.

#### Department's Determination

In the *Sunset Policy Bulletin*, the Department stated that, consistent with the SAA and House Report, the Department normally will select a rate from the investigation, because that is the only calculated rate that reflects the behavior of exporters and foreign governments without the discipline of an order or suspension agreement in place. The Department noted that this rate may not be the most appropriate rate if, for example, the rate was derived from subsidy programs which were found in subsequent reviews to be terminated, there has been a program-wide change, or the rate ignores a program found to be countervailable in a subsequent administrative review.<sup>15</sup>

The Department agrees with all parties that the net countervailable subsidy rate from the original investigation is not probative of the net countervailable subsidy rate likely to prevail if the order were to be revoked. As noted above, sections III.B.3.a and III.B.3.c of the *Sunset Policy Bulletin* provide that the Department may adjust the net countervailable subsidy where, " \* \* \* the Department has conducted an administrative review of the order \* \* \* and found that a program was terminated with no residual benefits and no likelihood of reinstatement \* \* \*" or where, " \* \* \* the Department has conducted an administrative review of the order \* \* \* and found a new countervailable program, or found a program previously not used but subsequently found to be countervailable. \* \* \*" <sup>16</sup>

Several programs from the investigation have been terminated, found not to confer countervailable subsidies, or have never been used. These terminated programs provide no residual benefits which persist. Additionally, several new programs have been created since the imposition of the order. Of these new programs, the Department has determined that some have been terminated. Therefore, pursuant to the *Sunset Policy Bulletin*, the net countervailable subsidy from the original investigation has been adjusted to reflect the termination of programs, as well as the identification of new programs found to be countervailable in subsequent administrative reviews. Consequently, the Department

preliminarily determines that the net subsidy rate that would be likely to prevail in the event of revocation of the order would be Can\$0.01802234/lb.<sup>17</sup> See Memorandum to File Regarding Calculation of the Net Countervailable Subsidy, June 21, 1999.

In determining the net countervailable subsidy rate likely to prevail, the Department combined the benefits from ten programs that continue to exist.<sup>18</sup> The individual subsidy rates for these ten programs, consistent with the *Sunset Policy Bulletin*, were those calculated in the original investigation

<sup>17</sup> Please note that the Department considers anything less than 0.5 percent (or Can\$0.0030/lb.) to be de minimis. See *Live Swine From Canada; Final Results of Countervailing Duty Administrative Review*, 56 FR 50560 (October 7, 1991).

<sup>18</sup> The following countervailable programs have been determined by the Department not to have been officially terminated by administrative decree or legislative repeal. The programs are:

1. Nova Scotia Improved Sire Program (Can\$0.0002/lb., first rate calculated in 95/96 review; 62 FR 47460, September 9, 1997)
2. Technology Innovation Program Under the Agri-Food Agreement (Can\$0.0002/lb., found to be used in the 94/95 review; 62 FR 18087, April 14, 1997 (used most recently in 96/97 review))
3. Ontario Livestock and Poultry and Honeybee Compensation Program (Can\$0.0002/lb., found to be used in 89/90 review; 56 FR 29224 (first rate calculated in 93/94 review; 61 FR 26879, May 29, 1996) (used most recently in 96/97 review))
4. Ontario Bear Damage to Livestock Compensation Program (Can\$0.0002/lb., found to be used in the 94/95 review; 62 FR 18087, April 14, 1997 (used most recently in 94/95 review))
5. Ontario Rabies Indemnification Program (Can\$0.0001/lb., found to be used in the 89/90 review; 56 FR 29224 (used most recently in 93/94 review))
6. Support for Strategic Alliances Program Under the Agri-Food Agreement
7. Newfoundland Hog Price Support Program (Can\$0.00013/lb., found to be used in investigation; 50 FR 25097 (used most recently in 85/86 review))
8. New Brunswick Swine Industry Financial Restructuring Program (Can\$0.0000154/lb.,
9. Quebec Farm Income Stabilization Program (Can\$0.01696/lb., found to be used in the investigation; 50 FR 25097 (used most recently in the 95/96 review)) and
10. New Brunswick Livestock Incentives Program (Can\$0.00003/lb., found to be used in investigation; 50 FR 25097 (used most recently in 96/97 review) found to be used 85/86 review; 53 FR 22189 (used most recently in 96/97 review)).

For six additional programs, no subsidy rate has ever been calculated by the Department. Therefore, although these programs have not been determined to be terminated, we have not included them in our calculation.

1. Newfoundland Farm Products Corporation Hog Price Support Program (not used or published)
2. Western Diversification Program (not used or published) (Can\$0.0000008/lb., first rate calculated in 96/97 review; 63 FR 23723, April 30, 1998)
3. Agricultural Products Board Program (not used or published)
4. Newfoundland Weanling Bonus Incentive Policy (not used or published)
5. Federal Atlantic Livestock Feed Initiative (not used or published)
6. Ontario Sales Swine Assistance (not used or published).

because these are the only rates that reflect the behavior of exporters and/or foreign governments without the discipline of the order. For subsidy programs established after the imposition of the order, we have included in this calculation, the subsidy rates from the final results of the first administrative review in which rates were calculated. We note that a review of the countervailable subsidy rates, for each of post-order established programs, does not demonstrate a pattern of increased usage after introduction.

#### Nature of the Subsidy

In the *Sunset Policy Bulletin*, the Department stated that, consistent with section 752(a)(6) of the Act, the Department will provide information to the Commission concerning the nature of the subsidy and whether the subsidy is a subsidy described in Article 3 or Article 6.1 of the Subsidies Agreement.

Given that receipt of benefits under any of the programs included in our calculation are not contingent upon export. Therefore, none of these programs fall within the definition of an export subsidy under Article 3.1(a) of the Subsidies Agreement.

Each of these programs are, however, programs that could be found inconsistent with Article 6 if the net countervailable subsidy exceeds 5 percent, as measured in accordance with Annex IV of the Subsidies Agreement.<sup>19</sup> The Department, however, has no information with which to make such a calculation, nor do we believe it appropriate to attempt such calculation in the course of a sunset review. Rather, we intend to provide to the Commission the following program descriptions.

#### Subsidy Programs

The subsidy programs identified by the Department and used in its determination of the net subsidy likely to prevail if the order were revoked are listed below. A description of each is also included.

##### New Brunswick Livestock Incentives Program

This program provides loan guarantees to livestock producers

<sup>19</sup> The GOC and the GOQ have previously requested "green box" treatment for the Support for Strategic Alliances and Technology Innovation programs under the Agri-Food Agreement. However, the Department has not made a determination on whether benefits from these programs are non-countervailable as "green box" subsidies pursuant to section 771(5B)(F) of the Act. See *Live Swine from Canada; Final Results of Countervailing Duty Administrative Review*, 63 FR 47235 (September 4, 1998) and *Live Swine from Canada; Preliminary Results of Countervailing Duty Administrative Review*, 63 FR 23723 (April 30, 1998).

<sup>15</sup> See Section III.B.3 of the *Sunset Policy Bulletin*.

<sup>16</sup> See Section III.B.3.a and Section III.B.3.c of the *Sunset Policy Bulletin*.

purchasing cattle, sheep, swine, foxes, and mink for breeding purposes, and for feeding and finishing livestock for slaughter.

**Ontario Bear Damage to Livestock Compensation Program**

This program provides compensation for the destruction of, or injury to, certain types of livestock by bears.

**Ontario Livestock and Poultry and Honeybee Compensation Program**

This program provides grants to compensate producers for livestock and poultry injured or killed by wolves, coyotes, or dogs.

**Ontario Rabies Indemnification Program**

This program compensates livestock producers, including producers of cattle, horses, sheep, swine, and goats, for damage caused by rabies.

**Quebec Farm Income Stabilization Insurance Program**

Schemes under this program guarantee a positive net annual income to participants when their income falls below the stabilized net annual income.

**Technology Innovation Program Under the Agri-Food Agreement**

This program provides grants to producers within a designated geographical region of Canada (i.e., Quebec) for technology innovation.

**New Brunswick Swine Industry Financial Restructuring Program**

This program provides subsidies on medium-term loans to hog producers. This program was available to hog producers who entered production or underwent expansion after 1979.

**Newfoundland Hog Price Support Program**

This program is a price stabilization program which provides pork producers interest-free loans from the provincial government equal to the difference between a stabilization price based on the cost of production and the market price for hogs.

**Nova Scotia Improved Sire Program**

This program provides grants to purebred and commercial swine producers for the purchase of boars.

**Support for Strategic Alliances Under the Agri-Food Agreement**

The purpose of this program area is stimulate cooperation and promote strategic activities intended to improve competitiveness in domestic and foreign markets.

**Preliminary Results of Review**

Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing, if requested,

will be held on August 18, 1999.

Interested parties may submit case briefs no later than August 9, 1999, in accordance with 19 CFR

351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than August 16, 1999. The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such comments, no later than October 28, 1999.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: June 21, 1999.

**Richard W. Moreland,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 99-16250 Filed 6-24-99; 8:45 am]

BILLING CODE 3510-DS-P

**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

[I.D. 062199B]

**The GLOBE Program**

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

**ACTION:** Proposed collection; comment request.

**SUMMARY:** The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)).

**DATES:** Written comments must be submitted on or before August 24, 1999.

**ADDRESSES:** Direct all written comments to Linda Engelmeier, Departmental Forms Clearance Officer, Department of Commerce, Room 5327, 14th and Constitution Avenue NW, Washington DC 20230 (or via the Internet at LEngelme@doc.gov).

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the information collection instrument(s) and instructions should be directed to Harriet Chesi, 744 Jackson Place, Washington, D.C. 20503, 202-395-7600.

**SUPPLEMENTARY INFORMATION:**

**I. Abstract**

The GLOBE (Global Learning and Observations to Benefit the Environment) Program is an international science and environment education program involving elementary and secondary students. Feedback from participating teachers and students is necessary to guide necessary program changes, to help the program meet its goals, and to aid the continued growth of the program.

**II. Method of Collection**

Annual surveys of teachers and students involved in the GLOBE Program will be conducted through the World Wide Web, with hard copies of the survey instruments available as needed.

**III. Data**

*OMB Number:* 0648-0310

*Form Number:* None

*Type of Review:* Regular submission

*Affected public:* Individuals

*Estimated Number of Respondents:* 1,153

*Estimated Time Per Response:* 20 minutes for teacher surveys, 80 minutes for student surveys

*Estimated Total Annual Burden*

*Hours:* 709

*Estimated Total Annual Cost to Public:* \$0

**IV. Request for Comments**

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and /or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: June 18, 1999.

**Linda Engelmeier,**

*Departmental Forms Clearance Officer, Office of the Chief Information Officer.*

[FR Doc. 99-16203 Filed 6-24-99; 8:45 am]

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