

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.

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

Dated: July 2, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 99-17644 Filed 7-9-99; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-401-401]

#### **Certain Carbon Steel Products From Sweden: Preliminary Results of Countervailing Duty Administrative Review**

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

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

**SUMMARY:** The Department of Commerce ("the Department") is conducting an administrative review of the countervailing duty order on certain carbon steel products from Sweden. The period covered by this administrative review is January 1, 1997 through December 31, 1997. For information on the net subsidy for each reviewed company, as well as for all non-reviewed companies, please see the *Preliminary Results of Review* section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Review* section of this notice. Interested parties are invited to comment on these preliminary results. (See *Public Comment* section of this notice.)

**EFFECTIVE DATE:** July 12, 1999.

**FOR FURTHER INFORMATION CONTACT:** Tipten Troidl or Gayle Longest, Office of CVD/AD Enforcement VI, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2786.

## SUPPLEMENTARY INFORMATION:

### Background

On October 4, 1985, the Department published in the **Federal Register** (50 FR 48517) the countervailing duty order on certain carbon steel products from Sweden. On October 9, 1998, the Department published a notice of "Opportunity to Request Administrative Review" (63 FR 54440) of this countervailing duty order. We received timely requests for review, and we initiated a review covering the period January 1, 1997 through December 31, 1997, on November 30, 1998 (63 FR 65749).

In accordance with 19 CFR 351.213(b) this review covers only those producers or exporters of the subject merchandise for which a review was specifically requested. The producer/exporter of the subject merchandise for which the review was requested is: SSAB Svenskt Stal AB (SSAB). This review covers seven programs.

### 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"). The Department is conducting this administrative review in accordance with section 751(a) of the Act. All citations to the Department's regulations reference 19 CFR Part 351 (1998), unless otherwise indicated.

### Scope of the Review

Imports covered by this review are shipments of certain carbon steel products from Sweden. These products include cold-rolled carbon steel, flat-rolled products, whether or not corrugated, or crimped: whether or not pickled, not cut, not pressed and not stamped to non-rectangular shape; not coated or pleated with metal and not clad; over 12 inches in width and of any thickness; whether or not in coils. During the review period, such merchandise was classifiable under the *Harmonized Tariff Schedule* (HTS) item numbers 7209.11.0000, 7209.12.0000, 7209.13.0000, 7209.21.0000, 7209.22.0000, 7209.23.0000, 7209.24.5000, 7209.31.0000, 7209.32.0000, 7209.33.0000, 7209.34.0000, 7209.41.0000, 7209.43.0000, 7209.44.0000, 7209.90.0000, 7211.30.5000, 7211.41.7000 and 7211.49.5000. The written description remains dispositive.

## Subsidies Valuation Information

### *Privatization and Sale of Assets to Other Companies*

SSAB is the only Swedish company that produces and exports the subject merchandise. SSAB has sold several productive units and the company was partially privatized in 1987 and in 1989. In 1994, SSAB was completely privatized.

In *Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Sweden*, 58 FR 37385 (July 9, 1993) (*1993 Certain Steel Products*), the Department found that SSAB had received countervailable subsidies prior to the sale of the productive units and the two partial privatizations. Further, the Department found that a private party purchasing all or part of a government-owned company can repay prior subsidies on behalf of the company as part or all of the sales price (see *General Issues Appendix*, (GIA) 58 FR 37217, 37262 (July 9, 1993)). Therefore, to the extent that a portion of the sales price paid for a privatized company can be reasonably attributed to prior subsidies, that portion of those subsidies will be extinguished.

To calculate a rate for the subsidies that were allocated to the spin-off, i.e., a productive unit that was sold, we first determined the amount of the subsidies attributable to each productive unit by dividing the asset value of that productive unit by the total asset value of SSAB in the year of the spin-off. We then applied this ratio to the net present value (NPV), in the year of the spin-off, of the future benefit streams from all of SSAB's prior subsidies allocable to the POR. The future benefit streams at the time of the sale of each productive unit reflect the Department's allocation over time of prior subsidies to SSAB in accordance with the declining balance methodology (see *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Preliminary Results of Countervailing Duty Administrative Review*, 62 FR 64568 (December 8, 1997) and *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Final Results of Countervailing Duty Administrative Review*, 63 FR 18367 (April 15, 1998)), and reflect also the effect of prior spin-offs of SSAB productive units.

We next estimated the portion of the purchase price which represents repayment of prior subsidies by determining the portion of SSAB's net worth that was accounted for by subsidies. To do that, we divided the face value of the allocable subsidies

received by SSAB in each year from fiscal year 1979 through fiscal year 1993 by SSAB's net worth in the same year. We calculated a simple average of these ratios, which was then multiplied by the purchase price of the productive unit. Thus, we determined the amount of the purchase price which represents repayment of prior subsidies. This amount was subtracted from the subsidies attributed to the productive unit at the time of sale to arrive at the amount of subsidies allocated to the productive unit being spun-off.

To calculate the subsidies remaining with SSAB after privatization, we performed the following calculations. We first calculated the NPV of the future benefit stream of the subsidies at the time of the sale of the shares. Next, we estimated the portion of the purchase price which represents repayment of prior subsidies in accordance with the methodology described in the "Privatization" section of the *General Issues Appendix* (58 FR 37217, 37259). This amount was then subtracted from the amount of the NPV eligible for repayment, and the result was divided by the NPV to calculate the ratio representing the amount of subsidies remaining with SSAB.

To calculate the benefit provided to SSAB in the POR, where appropriate, we multiplied the benefit calculated for 1997, adjusted for sales of productive units, by the ratio representing the amount of subsidies remaining with SSAB after privatization. We then divided the results by the company's total sales in 1997.

### Allocation Methodology

In the current review, there are no new subsidies. All of the non-recurring grants under review were provided prior to the POR; allocation periods for these grants were established during prior segments of this proceeding. Therefore, for purposes of these preliminary results, the Department is using the original allocation period assigned to each grant. See *Certain Carbon Steel Products from Sweden; Final Results of Administrative Review*, 66 FR 16549-16550 (April 7, 1997) (1994 *Final Results*).

### Analysis of Programs

#### I. Programs Conferring Subsidies

##### A. Structural Loans

Under three separate pieces of legislation, SSAB received structural loans for investment in plant and equipment. The loans were disbursed in installments between 1978 and 1983. Three loans were outstanding during the period of review (POR).

According to the terms of the loans, all three structural loans were interest-free for three years from the date of disbursement. After that time, two loans incurred interest at a fixed rate of five percent per annum while the other loan incurred interest at a variable rate subject to change every five years. See SAAB's February 16, 1999

Questionnaire Response at page 11-13 (Public Version on file in Room B-099 of the main Commerce Building). The variable interest rate on this loan is set at the rate of the long-term government bonds plus a 0.25 percent margin. After a five-year grace period, the principal is repaid in 20 equal installments at the end of each calendar year.

In the final determination of the original investigation of the subject merchandise, *Final Affirmative Countervailing Duty Determination; Certain Carbon Steel Products from Sweden*, 50 FR 33377 (August 19, 1985) and *1993 Certain Steel Products*, we determined that these loans were received at an interest rate lower than what the recipient would have paid on a comparable commercial loan. We therefore, determined that the loans are countervailable. There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this determination.

To calculate the benefit from the fixed-rate structural loans, we employed the long-term loan methodology described in the 1994 administrative review of this order. See *1994 Final Results*. To calculate the benefits of the variable-rate loan, we used the variable-rate long-term loan methodology described in the *1994 Final Results*. As the benchmark, we used SSAB's company-specific long-term interest rates, previously established in *1993 Certain Steel Products*.

We reduced the benefit attributable to the POR from the fixed-rate structural loans according to the methodology outlined in the "Privatization" section above. We then aggregated the benefits for the three loans (fixed interest rate and variable interest rate) and divided the results by SSAB's total sales for 1997. On this basis, we preliminarily determine the net subsidy from the three structural loans to be 0.12 percent *ad valorem*.

##### B. Forgiven Reconstruction Loans

The Government of Sweden (GOS) provided reconstruction loans to SSAB between 1979 and 1985 to cover operating losses, investment in certain plant and equipment, and for employment promotion purposes. The loans were interest free for three years, after which a fixed interest rate was

charged. According to the terms of the loans, up to half of the outstanding amount of the loan could be written off after the second calendar year following the disbursement. The remainder of the loan could be written off entirely at the end of the ninth calendar year after disbursement. Pursuant to the terms of the reconstruction loans, evidence indicated that the GOS wrote off large portions of principal and accrued interest on these loans between 1980 and 1990.

In the *1985 Final Determination* and in *1993 Certain Steel Products*, we determined that forgiveness of these loans is countervailable. There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this determination.

To calculate the benefit, we treated the written-off portions of the reconstruction loans as countervailable grants received in the years the loans were forgiven and calculated the benefit for the POR from this program using the methodology described in the "Allocation Methodology" section above. We reduced the benefits from these grants attributable to the POR according to the methodology outlined in the "Privatization" section above. We then divided the results by SSAB's total sales for 1997. On this basis, we preliminarily determine the net subsidy from the three allocable forgiven reconstruction loans to be 0.59 percent *ad valorem*.

### II. Other Programs Examined

#### A. Research and Development Loans and Grants

The Swedish National Board for Industrial and Technical Development (NUTEK) provides research and development loans and grants to Swedish industries for R&D purposes. One type of R&D loan (industrial development loans) is mostly aimed at "new" industries such as the biotechnical, electronic, and medical industries. Another type of R&D loan (energy efficiency loans) is directed towards big energy consumers.

The loans accrue interest equal to the official "discount" rate plus a premium of 3.75 percent. SSAB had several R&D loans outstanding during the POR on which it did not make either principal or interest payments. To calculate the benefit on these long-term variable rate loans, we used the variable-rate long-term loan methodology described in the *1994 Final Results*. We measured the interest savings on each outstanding loan during the POR using the Department's long-term benchmark.

Because SSAB did not have any long-term loans in 1997, we used as the discount rate the long-term industrial bond rate in Sweden, a benchmark previously established in 1993 *Certain Steel Products*. Then we divided the aggregate benefit of these loans by SSAB's total sales for 1997. On this basis, we preliminarily determine that, because the assistance provided under this program would result in a rate of less than 0.005 percent *ad valorem*, and would have no impact on the countervailing duty rate calculated for this POR, it is not necessary to determine whether these loans under NUTEK are specific. See, e.g. *Final Affirmative Countervailing Duty Determination: Steel Wire Rod from Germany*, 62 FR 54990, 54995-54996 (October 22, 1997).

In addition, SSAB reported to have received a NUTEK R&D grant for the application and further development of Information Technology concerning improved energy utilization and control of industrial processes. Disbursements of these grants, which were received prior to the POR, did not exceed the 0.5 percent of SSAB's total sales in the year they were received. Therefore, in accordance with our practice, the entire amount was expensed in the year of receipt. See *Cut-to-Length Steel Plate from Belgium; Preliminary Results of Countervailing Duty Review*, 63 FR 48188, 48190 (September 9, 1998). On that basis, we preliminarily determine that it is not necessary to determine whether grants under NUTEK are specific.

#### Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to this administrative review. For the period January 1, 1997 through December 31, 1997, we preliminarily determine the net subsidy for SSAB to be 0.72 percent *ad valorem*.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. See 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was not requested, duties must be assessed at the cash deposit rate, and

cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review.

We will instruct Customs to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order will be the rate for that company established in the most recently completed administrative proceeding conducted under the URAA. See *Certain Carbon Steel Products from Sweden; Final Results of Countervailing Duty Administrative Review*, 61 FR 5378 (February 12, 1996). These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1997 through December 31, 1997, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

#### Public Comment

Pursuant to Subpart B of 19 CFR 351.224(b), the Department will disclose to the parties of this proceeding within five days after the date of any public announcement or if none within five days after the publication of this notice, the calculations performed in this review. Interested parties may request a hearing not later than 30 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted five days after the time limit for filing the case brief. Parties who submit argument in this proceeding are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with Subpart B of 19 CFR 351.303(f).

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's

client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR 351.309(c)(ii), are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

This administrative review and notice are issued and published in accordance with section 751(a)(1) of the Act (19 U.S.C. 1675(a)(1)), 19 CFR 351.213.

Dated: July 6, 1999.

**Robert S. LaRussa,**

*Assistant Secretary for Import Administration.*

[FR Doc. 99-17646 Filed 7-9-99; 8:45 am]

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-533-063]

#### Amended Final Results of Expedited Sunset Review: Iron Metal Castings From India

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

**ACTION:** Notice of amended final results of expedited sunset review: iron metal castings from India.

**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, Washington, D.C. 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** July 12, 1999.

#### Scope

The merchandise subject to this countervailing duty order are shipments of manhole covers and frames, clean-out covers and frames, and catch basin grates and frames from India. These articles are commonly called municipal or public works castings and are used for access or drainage for public utility, water, and sanitary systems. These articles must be of cast iron, not alloyed, and not malleable. This merchandise is currently classifiable under item numbers 7325.10.0010 and 7325.10.0050 of the Harmonized Tariff Schedule of the United States ("HTSUS"). The HTSUS item numbers are provided for convenience and U.S. Customs purposes. The written description remains dispositive.