

establishing a foreign-trade zone, designated on the records of the Board as Foreign-Trade Zone No. 239, at the sites described in the application, subject to the Act and the Board's regulations, including Section 400.28, and subject to the standard 2,000-acre activation limit.

Signed at Washington, DC, this 15th day of September, 1999.

Foreign-Trade Zones Board.

William M. Daley,

Secretary of Commerce, Chairman and Executive Officer.

Attest: Dennis Puccinelli,

Acting Executive Secretary.

[FR Doc. 99-25074 Filed 9-24-99; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-508-605]

Preliminary Results of Full Sunset Review: Industrial Phosphoric Acid From Israel

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

ACTION: Notice of preliminary results of full sunset review: industrial phosphoric acid from Israel.

SUMMARY: On March 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty order on industrial phosphoric acid from Israel (64 FR 9970) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of the notices of intent to participate and adequate substantive responses filed on behalf of the domestic and respondent interested parties, the Department is conducting a full (240 day) review. In conducting this sunset 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: Kathryn B. McCormick or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

EFFECTIVE DATE: September 27, 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 19 CFR 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

This order covers shipments of Israeli industrial phosphoric acid ("IPA"). The subject merchandise was originally classifiable under item number 416.30 of the Tariff Schedules of the United States Annotated ("TSUSA"); currently, it is classifiable under item number 2809.20.00 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the TSUSA and HTSUS item numbers are provided for convenience and customs purposes, the written description remains dispositive.

This review covers all producers and exporters of industrial phosphoric acid from Israel.

History of the Order

The Department published its final affirmative countervailing duty determination on industrial phosphoric acid from Israel in the **Federal Register** on July 7, 1987 (52 FR 25447) and issued the countervailing duty order on August 19, 1987 (52 FR 31057). The Department found the following programs to confer subsidies:

- (1) Encouragement of Capital Investments Law Grants
- (2) Long-Term Industrial Development Loans
- (3) Bank of Israel Export Production, Shipment, and Import-for Export Fund Loans
- (4) Exchange Rate Risk Insurance Scheme
- (5) Encouragement of Research and Development Law Grants

The Department determined the estimated net subsidy to be 19.46 percent for Haifa Chemicals Ltd. ("Haifa") and 6.02 percent for all other producers and exporters of IPA from Israel. In this case, the Government of Israel ("GOI") provided to eligible exporters preferential short-term financing in local and foreign currencies through the Bank of Israel Export Production, Shipment, and Import-for Export Fund Loans programs. However, the Department verified that, since 1985, the loans under these funds were provided only in foreign currencies and were no longer at preferential terms. In cases in which program-wide changes have occurred prior to a preliminary determination and where the changes are verifiable, the Department's practice is to adjust the duty deposit rate to correspond to the eventual duty liability. Accordingly, the Department did not include the BOI export loan benefits in the duty deposit rate, for which the final results were 15.11 for Haifa and 5.36 percent for all others.¹

The Department has conducted the following administrative reviews since the issuance of the order:

Period of review	Citation	Net subsidy (percent)
(1) 5 Feb 87-31 Dec 87	56 FR 2751	5.96
(2) 1 Jan 88-31 Dec 88	56 FR 50854	9.18
(3) 1 Jan 89-31 Dec 89	56 FR 50854	11.26
(4) 1 Jan 90-31 Dec 90	57 FR 39391	12.11
(5) 1 Jan 91-31 Dec 91	59 FR 5176	6.98
(6) 1 Jan 92-31 Dec 92	61 FR 28841	3.84
(7) 1 Jan 93-31 Dec 93	61 FR 28841	5.49
(8) 1 Jan 94-31 Dec 94	61 FR 53351	8.06

¹ See *Final Affirmative Countervailing Duty Determination: Industrial Phosphoric Acid from Israel*, 52 FR 25447, 25449 (July 7, 1987).

Period of review	Citation	Net subsidy (percent)
(7) 1 Jan 95–31 Dec 95	63 FR 20612	8.77
(9) 1 Jan 96–31 Dec 96	64 FR 2879	5.89
(10) 1 Jan 97–31 Dec 97	64 FR 49460	5.65

In the first administrative review (56 FR 2751), the Department determined that Israeli producers of IPA benefitted from the following countervailable subsidy programs: (1) Encouragement of Capital Investments Law ("ECIL") Grants; (2) Long-Term Industrial Development ("LTID") Loans; (3) the Exchange Rate Risk Insurance Scheme ("ERIS"); and (4) Encouragement of Research and Development Law ("EIRD") Grants. The Department continued to find net subsidies from ECIL and ERIS Grants, and LTID Loans in the administrative reviews from 1988 through 1991.²

In the 1992 period of review, the Department found benefits flowing from (1) ECIL Grants, (2) LTID Loans, and (3) EIRD Grants; in 1993, the programs (1) ECIL Grants, (2) LTID Loans, and (3) ERIS, were found to confer subsidies (61 FR 28841).

In the administrative reviews of periods after 1993,³ the Department found no further benefits from the ERIS; however, continued net subsidies were found under the ECIL Grants program and the resumption of net subsidies under the EIRD program. In 1999, the Department completed its administrative review (64 FR 2879) for the 1996 period of review, and again, net subsidies were found under the ECIL and EIRD Grants programs. Additionally, the Department found net subsidies from two new programs: the Infrastructure and Environmental Grants programs (*id.*).

¹ (Haifa: 19.46).

² See *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews*, 56 FR 50854 (October 9, 1991); *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews*, 57 FR 39391 (August 31, 1992); *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews*, 59 FR 5176 (February 3, 1994).

³ See *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews*, 61 FR 53351 (October 11, 1996); *Industrial Phosphoric Acid from Israel; Amended Final Results of Countervailing Duty Administrative Reviews*, 63 FR 20612 (April 27, 1998); *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews*, 64 FR 2879 (January 19, 1999); *Industrial Phosphoric Acid from Israel; Final Results and Partial Recission of Countervailing Duty Administrative Review*, 64 FR 49460 (September 13, 1999).

Background

On March 1, 1999, the Department published a notice of initiation of a sunset review of the countervailing duty order on IPA from Israel (64 FR 9970), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on the behalf of domestic producers Albright and Wilson Americas Inc. ("A&W"), FMC Corporation ("FMC"), and Solutia Inc. ("Solutia") (hereinafter, collectively "domestic interested parties") and respondent interested parties, the Government of Israel ("GOI") and Rotem Amfert Negeve Ltd. ("Rotem"), an exporter of industrial phosphoric acid, on March 15, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claimed interested party status under sections 771(9)(C) of the Act, as domestic producers of IPA. The GOI is an interested party pursuant to section 771(9)(B) of the Act as the government of a country in which IPA is produced and exported; Rotem is an interested party pursuant to section 771(9)(A) of the Act as a foreign producer and exporter of subject merchandise.

The GOI has participated in every segment of the proceeding before the Department related to the subject merchandise. Rotem, the 1992 successor to Negev Phosphates Ltd. ("Negev"),⁴ the initial respondent interested party, has participated in every administrative review after 1990.

Of the domestic interested parties, FMC and Monsanto Company ("Monsanto") were the petitioners in the original countervailing duty investigation,⁵ and they requested and participated in each administrative review through 1994. A&W joined with FMC in requesting and participating in each review thereafter.

We received adequate substantive responses from the domestic and respondent interested parties on March 31, 1999, within the 30-day deadline

⁴ See *Industrial Phosphoric Acid from Israel; Final Results of Antidumping Changed Circumstances Review*, 59 FR 6944 (February 14, 1994).

⁵ In the United States, there is a newly created company, Solutia, that is now responsible for the IPA business previously operated by Monsanto (see March 31, 1999 Substantive Response of domestic interested parties at 3).

specified in the *Sunset Regulations* under section 351.218(d)(3)(i). As a result, pursuant to 19 CFR 351.218(e)(2), the Department determined to conduct a full review.

In accordance with 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). Therefore, on June 21, 1999, the Department determined that the sunset review of the countervailing duty order on IPA from Israel is extraordinarily complicated, and extended the time limit for completion of the final results of this review until not later than January 25, 2000, in accordance with section 751(c)(5)(B) of the Act.⁶

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 and 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 it is a subsidy described in Article 3 or Article 6.1 of the 1994 WTO Agreement on Subsidies and Countervailing Measures ("Subsidies Agreement").

The Department's preliminary determinations concerning continuation or recurrence of a countervailable subsidy, the net countervailable subsidy likely to prevail if the order is revoked,

⁶ See *Industrial Phosphoric Acid from Israel (C-508-605) and Industrial Phosphoric Acid from Belgium (A-423-602): Extension of Time Limit for Final Results of Five-Year Reviews*, 64 FR 34189 (June 25, 1999).

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

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*).

Interested Party Comments

The domestic interested parties assert that the history of the order and the nature and extent of the subsidies show that revocation of the countervailing duty order on IPA from Israel will result in the continuation or recurrence of a countervailable subsidy. They assert that, in the last ten years following the issuance of the order, Rotem has continued to receive significant benefits under a variety of countervailable subsidy programs (see March 31, 1999 Substantive Response of domestic interested parties at 12). As noted earlier, in the 1996 administrative review, the Infrastructure and Environmental Grant programs were two new programs found to confer subsidies on Israeli producers of IPA.

The GOI and Rotem (Negev) do not argue that there is no likelihood that revocation of the order will lead to continuation of a countervailable subsidy. Rather, they argue that revocation of the countervailing duty order will have no effect on the U.S. producers of industrial phosphoric acid (see March 31, 1999 Substantive

Response of respondent interested parties at 3-5).

In their rebuttal comments the domestic interested parties argue that the respondents failed to address the question of likelihood and, therefore, the Department should conduct an expedited review on the basis of facts available and find that revocation of the countervailing duty order would result in continuation of a countervailable subsidy.⁷

Department's Determination

Although the Department found that the Exchange Rate Risk Insurance Scheme was terminated and provides no current benefits,⁸ and that the Long-Term Industrial Development Loans Program was not used during the 1996 review period (64 FR 2879 (January 19, 1999)), the Department did find evidence of programs that continued to confer countervailable subsidies on Israeli producers of IPA. The programs include the Encouragement of Capital Investments Law and the Encouragement of Industrial Research and Development Grants. In addition, the Department found new programs determined to confer subsidies: the Infrastructure Grant Program and the Environmental Grant Program. Therefore, it is reasonable to assume that these programs continue to exist and are utilized. Pursuant to the SAA at 888, the Department concludes that continuation of these programs are highly probative of the likelihood of continuation or recurrence of countervailable subsidies.⁹

Net Countervailable Subsidy

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 as the net countervailable subsidy likely to prevail if the order is revoked, 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.¹⁰

Interested Party Comments

The domestic interested parties assert that the Department should use the net subsidy rates determined in the original investigation as the rates likely to prevail if the countervailing duty order were revoked. As noted above, the net subsidy rate determined in the original investigation was 19.46 percent for Haifa, and 6.02 percent for all other imports of IPA from Israel. The domestic interested parties argue that the original duty deposit rate of 15.11 percent is appropriate for Haifa in light of its lack of cooperation and the Department's authority to use an adverse inference (see March 31 Substantive Response of domestic interested parties at 19). Further, the domestic interested parties suggest that the Department could use for Rotem the 12.11 percent rate from the 1990 review, since it indicates that subsidies have been and can be made available to Israeli producers (*id.*). However, the domestic interested parties argue that the Department should not adopt for Rotem any rate lower than 5.89 percent, the rate determined by the Department in the administrative review of the 1996 period (*id.*).

The respondent interested parties assert that the countervailing duty rate that is likely to prevail is the current rate of 5.89 percent or less. They note that, in the last several reviews, the Department has determined that (1) Rotem has been the only exporter of the subject merchandise to the United States and that (2) there is only one subsidy program providing benefits to Rotem's production of the subject merchandise: the Encouragement of Capital Investment Law (ECIL) program, under which Rotem received infrastructure grants, some of which have been found to benefit subject merchandise (see March 31, 1999 Substantive Response of respondent interested parties at 7). Of the 5.89 percent subsidy found in the last review, 5.58 percent of that amount was from ECIL grants (*id.*).

The respondent interested parties argue that ECIL grants are domestic subsidies not contingent upon exports or exporting, and therefore, do not provide an incentive to export (*id.*). Further, since they are non-recurring grants, under the Department's grant methodology, grants given in earlier years provide diminishing benefits throughout the benefit stream, and

⁷ See April 8, 1999 *Industrial Phosphoric Acid from Israel; Comments Submitted in Rebuttal to the Substantive Responses of the Government of Israel and Rotem Amfert Negev Ltd.* at 2.

⁸ See *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews*, 61 FR 28841, 28844 (June 6, 1996).

⁹ See *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Administrative Reviews*, 64 FR 2879, 2881 (January 19, 1999).

¹⁰ See section III.B.3 of the *Sunset Policy Bulletin*.

benefits afforded by these grants cannot increase if the countervailing duty order is eliminated. Moreover, the respondent interested parties argue that the subsidy from the grants has further diminished as a result of a series of privatizations of Rotem (*id.*).

Respondent interested parties assert that higher subsidy findings for Rotem's IPA were the result of the Department's finding that another program, the Exchange Rate Risk Insurance Program provided substantial export subsidies to Rotem. They argue that, since the latter program has been terminated, it should not be considered in the Department's determination of the countervailing duty rate that is likely to prevail (see April 8, 1999 Substantive Response of respondent interested parties). With respect to the Long-term Industrial Development Loans, the respondent interested parties note that this program provides no residual benefits (*id.* at 9). Further, the respondent interested parties argue, the Encouragement of Research and Development Grants, and Infrastructure and Environmental Grants were found to provide very minimal subsidies (*id.*).

The respondent interested parties assert that if the Department uses the rate from the original determination, the starting point should be the deposit rate of 5.36 percent adjusted for terminated programs. Likewise, with respect to Haifa Chemicals, Ltd., the respondent interested parties argue that the original deposit rate of 15.11 percent for Haifa should be adjusted for terminated programs (*id.* at 11).

In their rebuttal comments, the domestic interested parties disagree with the respondent interested parties' argument that Department should adjust the rates from the original investigation downward by subtracting the amount of the subsidy arising from the now-terminated Exchange Rate Risk Program.¹¹ The domestic interested parties argue that, if the Department were to exercise its discretion to adjust the net original net subsidy rates, then, in the interest of accuracy, the Department would also have to adjust for every change to every program found to provide a subsidy in the original investigation. Moreover, if the Department determines an adjusted rate, then actions, such as grant and loan deferrals, could be taken temporarily to lower that rate in order to have an

impact on a scheduled or pending review.¹²

In their rebuttal comments, the respondent interested parties reiterate that the Department should use the original deposit rate as the starting point for determining the rate likely to prevail. They argue that, in determining the rate for Haifa, the Department should subtract from the original rate of 15.11 percent 8.87 percent represented by the Exchange Rate Risk Insurance Scheme, a program that has been terminated and provides no current benefits.¹³ Thus, the deposit rate should be 6.24 percent. Further, the respondent interested parties argue that, on account of the termination of the Exchange Rate Risk Insurance Scheme, the Department should also adjust Rotem's original deposit rate. As such, 4.78 percent representing ERIS's benefits should be deducted from the original margin of 5.36 for all others, with a result of 0.58. However, respondent interested parties acknowledge that this rate is untenable in light of the most administrative review for the 1996 period, and that the Department should provide to the Commission the rate of 5.89, the rate from this review.¹⁴

Department's Determination

Consistent with the SAA and House Report, the Department normally will select a rate from the investigation as the net countervailable subsidy likely to prevail if the order is revoked, 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. In some instances, however, the rate from the original investigation 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.¹⁵

As noted above, since the issuance of the order, the Department has determined that the Exchange Rate Risk Insurance Scheme was terminated (61 FR 28841, 28844 (June 6, 1996)). Furthermore, in the 1996 period of review, the Department determined that two new programs, the Infrastructure Grant Program and the Environmental

Grant Program, confer countervailable subsidies on Rotem.¹⁶ Therefore, consistent with section III.B.3 of the *Sunset Policy Bulletin*, the Department preliminarily determines that the rate from the original investigation is not probative of the net countervailable subsidy rate likely to prevail if the order were revoked.

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 found a new countervailable program. Additionally, section III.B.3.d of the *Sunset Policy Bulletin* provides that where the Department has conducted an administrative review of an order and determined to increase the net countervailable subsidy rate for any reason, the Department may adjust the net countervailable subsidy rate determined in the original investigation to reflect the increase of the rate.

The Department agrees with respondent interested parties that the deposit rates from the original investigation should be adjusted to reflect that, after 1993, the Exchange Rate Risk Insurance Scheme was terminated without residual benefits after 1993. Therefore, we are subtracting the rate from the investigation for this program. Additionally, the rates should be adjusted to reflect the identification of two new countervailable programs: the Infrastructure Grant Program and the Environmental Grant Program. Therefore, we are adding the rates from these programs as first identified in the 1996 review (64 FR 2879).

Finally, we agree with the interested parties that the countervailable subsidy rate from the Encouragement of Capital Investments Law Grants program has significantly increased since the original investigation. Over the life of this order, there has been a consistent pattern of increased usage of the grants provided under this program. Because of the continued increase in usage of this program, despite the existence of the order, we preliminarily determine that the rate for this program from the original investigation should be adjusted to reflect this increased usage of the program. Therefore, we are adding to the original investigation rate the rate from this program, as found in

¹² *Id.* at 6.

¹³ See April 8, 1999 *Sunset Review of Countervailing Duty Order on Industrial Phosphoric Acid from Israel; Comments on U.S. Producers' Substantive Response* at 4.

¹⁴ *Id.*

¹⁵ See section III.B.3 of the *Sunset Policy Bulletin*.

¹⁶ See *Industrial Phosphoric Acid From Israel: Final Results of Countervailing Duty Administrative Review*, 64 FR 2879 (January 19, 1999).

¹¹ See April 8, 1999 *Industrial Phosphoric Acid from Israel; Comments Submitted in Rebuttal to the Substantive Responses of the Government of Israel and Rotem Amfert Negev Ltd* at 5.

the 1996 review (*id.*). As a result, the Department preliminarily determines that the net countervailable subsidies that would be likely to prevail in the event of revocation of the order are 10.93 percent for Haifa and 5.97 percent for all others, including Rotem (see September 21, 1999, Memorandum to File Regarding Calculation of the Net Countervailable Subsidy).

Nature of the Subsidy

In the *Sunset Policy Bulletin*, the Department states that, consistent with section 752(a)(6) of the Act, the Department will 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 domestic and respondent interested parties did not address this issue in their substantive responses of March 31, 1999.

Because the receipt of benefit under the Bank of Israel Export Loans program is contingent on exports, this program falls within the definition of an export subsidy under Article 3.1(a) of the Subsidies Agreement. The remaining programs, although not falling within the definition of an export subsidy under Article 3.1(a) of the Subsidies Agreement, could be found to be inconsistent with Article 6 if the net countervailable subsidy exceeds five percent, as measured in accordance with Annex IV of the Subsidies Agreement. The Department, however, has no information with which to make such a calculation, nor do we believe it appropriate to attempt such a calculation in the course of a sunset review. Rather, we are providing the Commission with the following program descriptions.

The Encouragement of Capital Investments Law (ECIL) Grants. In the 1987 original investigation, the Department found that Negev Phosphates, Ltd. ("Negev") and Haifa Chemicals, Ltd. received countervailable subsidies from this program, the benefits of which depend on the geographic location of the eligible enterprises. ECIL Grants were found to confer subsidies in each subsequent administrative review.

Long-Term Industrial Development ("LTID") Loans. Funded by the GOI, this program enabled approved enterprises in a number of diverse industries to obtain LTID Loans. Like ECIL grants, these loans are project-specific and the interest rates charged on these loans depend on the Development Zone location of the borrower. The Department found LTID Loans to confer

subsidies in the administrative reviews for the periods 1988 through 1993.

Exchange Rate Risk Insurance Scheme ("ERIS"). Operated by the Israeli Foreign Trade Risk Insurance Corporation ("IFTRIC"), ERIS insures exporters against losses which result when the rate of inflation exceeds the rate of devaluation and the new Israeli shekel value of an exporter's foreign currency receivable does not rise enough to cover increases in local costs. The ERIS is optional and open to any exporter willing to pay a premium to IFTRIC. The Department determined that subsidies from this program were terminated in 1993.¹⁷

Encouragement of Research and Development Law ("EIRD") Grants. Israeli manufacturers, producers or exporters of IPA may benefit from research and development grants under this program. With the exception of the 1988, 1989 and 1991 administrative reviews, the Department found the EIRD Law Grants to be countervailable in each yearly review since the issuance of the order.

Infrastructure Grant Program. In the administrative review of the 1996 period, the Department found that this program enables the GOI to establish new industrial areas by partially reimbursing companies for their costs of developing the infrastructure in certain geographical zones.

Environmental Grant Program. Additionally, in the 1996 administrative review, the Department found that the GOI administers this countervailable subsidy program to provide for companies financial assistance for the adaptation of existing industrial facilities to new environmental requirements.

Preliminary Results of Review

As a result of this review, the Department finds that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

Manufacturer/exporter	Margin (percent)
Haifa, Ltd	10.93
All Others	5.97

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

¹⁷ See *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Reviews*, 61 FR 28841, (June 6, 1996).

Dated: September 21, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

[Certificate of Review No. 89-00015]

International Trade Administration

Export Trade Certificate of Review

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of Initiation of Process to Revoke Export Trade.

SUMMARY: The Secretary of Commerce issued an export trade certificate of review to Airborne Business Cargo, Inc. ("ABC"). Because this certificate holder has failed to file an annual report as required by law, the Department is initiating proceedings to revoke the certificate. This notice summarizes the notification letter sent to ABCI.

FOR FURTHER INFORMATION CONTACT: Morton Schnabel, Director, Office of Exports Trading Company Affairs, International Trade Administration, (202) 482-5131. This is not a toll-free number.

SUPPLEMENTARY INFORMATION: Title III of the Export Trading Company Act of 1982 ("the Act") (15 U.S.C. 4011-21) authorizes the Secretary of Commerce to issue export trade certificates of review. The regulations implementing Title III ("the Regulations") are found at 15 CFR part 325. Pursuant to this authority, a certificate of review was issued on December 12, 1989 to ABCI.

A certificate holder is required by law (Section 308 of the Act, 15 U.S.C. 4018) to submit to the Department of Commerce annual reports that update financial and other information relating to business activities covered by its certificate. The annual report is due within 45 days after the anniversary date of the issuance of the certificate of review (Sections 325.14 (a) and (b) of the Regulations). Failure to submit a complete annual report may be the basis for revocation. (Sections 325.10(a) and 325.14(c) of the Regulations).

The Department of Commerce sent to ABCI on December 2, 1998, a letter containing annual report questions with a reminder that its annual report was due on January 26, 1999. Additional reminders were sent on February 10, 1999, and on March 17, 1999. The Department has received no written response to any of these letters.