

Canada (57 FR 39392). The Department published the preliminary results of these administrative reviews on May 9, 2001 (*see Pure Magnesium and Alloy Magnesium From Canada: Preliminary Results of Countervailing Duty Administrative Reviews*, 66 FR 23669 (May 9, 2001)) ("Preliminary Results").

In accordance with 19 CFR 351.213(b), the reviews of these orders cover those producers or exporters of the subject merchandise for which these reviews were specifically requested. Accordingly, these reviews cover only Norsk Hydro Canada, Inc. ("NHCI"), the sole producer or exporter of the subject merchandise for which a review was requested. The petitioner in these reviews is the Magnesium Corporation of America.

In the preliminary results of these reviews, the Department invited interested parties to comment on the results (*see Preliminary Results*). However, we received no comments. The Department did not conduct a hearing for these reviews because none was requested. The Department has now completed these reviews in accordance with section 751 of the Act.

Scope of the Orders

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

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

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

Period of Review

The period of review for which we are measuring subsidies is from January 1, 1999 through December 31, 1999.

Final Results of Reviews

We have determined that no changes to our analysis are warranted for purposes of these final results. Therefore, in accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to these reviews. We will instruct the Customs Service ("Customs") to assess countervailing duties as indicated below on all appropriate entries. For the period January 1, 1999 through December 31, 1999, we determine the net subsidy rate for the reviewed company to be as follows:

NET SUBSIDY RATE

Manufacturer/exporter	Percent
Norsk Hydro Canada, Inc.	1.21

The Department will also instruct Customs to collect cash deposits of estimated countervailing duties in the percentage detailed above on the f.o.b. invoice price on all shipments of the subject merchandise from NHCI entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these reviews.

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

Accordingly, 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. Except for Timminco Limited, which was excluded from the orders in the original investigations, these rates were established in the first administrative proceeding conducted under the URAA. *See Final Results of the Second Countervailing Duty Administrative Reviews: Pure Magnesium and Alloy Magnesium from Canada*, 62 FR 48607 (September 16, 1997).

In addition, for the period January 1, 1999 through December 31, 1999, the assessment rates applicable to all non-reviewed companies covered by these orders are the cash deposit rates in effect at the time of entry, except for Timminco Limited (which was excluded from the orders in the original investigations).

This notice serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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

Dated: August 31, 2001.

Bernard T. Carreau,
Acting Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-835]

Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review: Stainless Steel Sheet and Strip in Coils From the Republic of Korea

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 stainless steel sheet and strip in coils from the Republic of Korea for the period

November 17, 1998 through December 31, 1999. For information on the net subsidy for the reviewed company, please see the "Preliminary Results of Review" section of this notice.

Interested parties are invited to comment on these preliminary results. (See the "Public Comment" section of this notice).

EFFECTIVE DATE: September 10, 2001.

FOR FURTHER INFORMATION CONTACT: Darla Brown or Tipten Troidl, Office of AD/CVD Enforcement VI, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-2786.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA) effective January 1, 1995 (the Act). In addition, unless otherwise indicated, all citations to the Countervailing Duty regulations are references to the provisions codified at 19 CFR part 351 (2001) (CVD Regulations).

Background

On August 6, 1999, the Department published in the **Federal Register** the countervailing duty order on stainless steel sheet and strip in coils from the Republic of Korea. *See Amended Final Determination: Stainless Steel Sheet and Strip in Coils from the Republic of Korea; and Notice of Countervailing Duty Orders: Stainless Steel Sheet and Strip from France, Italy and the Republic of Korea*, 64 FR 42923 (August 6, 1999). On August 16, 2000, the Department published an opportunity to request an administrative review of this countervailing duty order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request an Administrative Review*, 65 FR 49962 (August 16, 2000). We received a timely request for review of Incheon Iron and Steel Co. (Inchon) and Sammi Steel Co. (Sammi), from petitioners. On October 2, 2000, the Department published "Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part" of the countervailing duty order on stainless steel sheet and strip in coils from the Republic of Korea, covering the period of review (POR) November 17, 1998 through December 31, 1999. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Rescission in*

Part with August Anniversary Dates, 65 FR 58735 (October 2, 2000).

On September 15, 2000, Sammi provided the Department with a certification stating that neither it nor its affiliates exported the subject merchandise to the United States during the POR. Because there were no shipments of exports to the United States of the subject merchandise, the Department is preliminarily rescinding this administrative review with respect to Sammi.

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters for which a review was specifically requested. The company subject to this review is Incheon. This review covers 14 programs.

Scope of Review

For purposes of this review, the products covered are certain stainless steel sheet and strip in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness, and that is annealed or otherwise heat treated and pickled or otherwise descaled. The subject sheet and strip may also be further processed (e.g., cold-rolled, polished, aluminized, coated, etc.) provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this review is classified in the *Harmonized Tariff Schedule of the United States* (HTSUS) at subheadings: 7219.13.00.30, 7219.13.00.50, 7219.13.00.70, 7219.13.00.80, 7219.14.00.30, 7219.14.00.65, 7219.14.00.90, 7219.32.00.05, 7219.32.00.20, 7219.32.00.25, 7219.32.00.35, 7219.32.00.36, 7219.32.00.38, 7219.32.00.42, 7219.32.00.44, 7219.33.00.05, 7219.33.00.20, 7219.33.00.25, 7219.33.00.35, 7219.33.00.36, 7219.33.00.38, 7219.33.00.42, 7219.33.00.44, 7219.34.00.05, 7219.34.00.20, 7219.34.00.25, 7219.34.00.30, 7219.34.00.35, 7219.35.00.05, 7219.35.00.15, 7219.35.00.30, 7219.35.00.35, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.12.10.00, 7220.12.50.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.20.70.05, 7220.20.70.10, 7220.20.70.15, 7220.20.70.60, 7220.20.70.80,

7220.20.80.00, 7220.20.90.30, 7220.20.90.60, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTS subheadings are provided for convenience and Customs purposes, the Department's written description of the merchandise is dispositive.

Excluded from the scope of this order are the following: (1) Sheet and strip that is not annealed or otherwise heat treated and pickled or otherwise descaled, (2) sheet and strip that is cut to length, (3) plate (i.e., flat-rolled stainless steel products of a thickness of 4.75 mm or more), (4) flat wire (i.e., cold-rolled sections, with a prepared edge, rectangular in shape, of a width of not more than 9.5 mm), and (5) razor blade steel. Razor blade steel is a flat rolled product of stainless steel, not further worked than cold-rolled (cold-reduced), in coils, of a width of not more than 23 mm and a thickness of 0.266 mm or less, containing, by weight, 12.5 to 14.5 percent chromium, and certified at the time of entry to be used in the manufacture of razor blades. *See* Chapter 72 of the HTSUS, "Additional U.S. Note" 1(d).

The Department has determined that certain specialty stainless steel products are also excluded from the scope of this order. These excluded products are described below:

Flapper valve steel is defined as stainless steel strip in coils containing, by weight, between 0.37 and 0.43 percent carbon, between 1.15 and 1.35 percent molybdenum, and between 0.20 and 0.80 percent manganese. This steel also contains, by weight, phosphorus of 0.025 percent or less, silicon of between 0.20 and 0.50 percent, and sulfur of 0.020 percent or less. The product is manufactured by means of vacuum arc remelting, with inclusion controls for sulphide of no more than 0.04 percent and for oxide of no more than 0.05 percent. Flapper valve steel has a tensile strength of between 210 and 300 ksi, yield strength of between 170 and 270 ksi, plus or minus 8 ksi, and a hardness (Hv) of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.

Also excluded is a product referred to as suspension foil, a specialty steel product used in the manufacture of suspension assemblies for computer disk drives. Suspension foil is described as 302/304 grade or 202 grade stainless steel of a thickness between 14 and 127 microns, with a thickness tolerance of plus-or-minus 2.01 microns, and surface glossiness of 200 to 700 percent Gs. Suspension foil must be supplied in coil widths of not more than 407 mm, and

with a mass of 225 kg or less. Roll marks may only be visible on one side, with no scratches of measurable depth. The material must exhibit residual stresses of 2 mm maximum deflection, and flatness of 1.6 mm over 685 mm length.

Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of this order. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of no more than 0.03 percent, lanthanum of between 0.002 and 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron.

Permanent magnet iron-chromium-cobalt alloy stainless strip is also excluded from the scope of this order. This ductile stainless steel strip contains, by weight, 26 to 30 percent chromium, and 7 to 10 percent cobalt, with the remainder of iron, in widths 228.6 mm or less, and a thickness between 0.127 and 1.270 mm. It exhibits magnetic remanence between 9,000 and 12,000 gauss, and a coercivity of between 50 and 300 oersteds. This product is most commonly used in electronic sensors and is currently available under proprietary trade names such as "Arnokrome III."¹

Certain electrical resistance alloy steel is also excluded from the scope of this order. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials (ASTM) specification B344 and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390 degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as "Gilphy 36."²

Certain martensitic precipitation-hardenable stainless steel is also

excluded from the scope of this order. This high-strength, ductile stainless steel product is designated under the Unified Numbering System (UNS) as S45500-grade steel, and contains, by weight, 11 to 13 percent chromium, and 7 to 10 percent nickel. Carbon, manganese, silicon and molybdenum each comprise, by weight, 0.05 percent or less, with phosphorus and sulfur each comprising, by weight, 0.03 percent or less. This steel has copper, niobium, and titanium added to achieve aging, and will exhibit yield strengths as high as 1700 Mpa and ultimate tensile strengths as high as 1750 Mpa after aging, with elongation percentages of 3 percent or less in 50 mm. It is generally provided in thicknesses between 0.635 and 0.787 mm, and in widths of 25.4 mm. This product is most commonly used in the manufacture of television tubes and is currently available under proprietary trade names such as "Durphynox 17."³

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of this order. These include stainless steel strip in coils used in the production of textile cutting tools (e.g., carpet knives).⁴ This steel is similar to ASTM grade 440F, but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less, and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as "GIN4 HI-C." The second excluded stainless steel strip in coils is similar to AISI 420-J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and 0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100 carbide particles per square micron. An example of this product is "GIN5" steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500

guaranteed after customer processing, and is supplied as, for example, "GIN6."

Subsidies Valuation Information

Benchmarks for Long-term Loans: During the POR, Inchon had both won-denominated and foreign currency-denominated long-term loans outstanding which had been received from government-owned banks, Korean commercial banks, overseas banks, and foreign banks with branches in Korea.

In the *Final Negative Countervailing Duty Determination: Stainless Steel Plate in Coils from the Republic of Korea*, 64 FR 15530 (March 31, 1999) (*Plate in Coils*) and the *Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 64 FR 30636 (June 8, 1999) (*Sheet and Strip*), the Department, for the first time, examined the Government of Korea (GOK)'s direction of credit policies for the period 1992 through 1997. Based on new information gathered during the course of those investigations, the Department determined that the GOK controlled directly or indirectly the lending practices of most sources of credit in Korea between 1992 and 1997. In the *Final Affirmative Countervailing Duty Determination: Certain Cut-to Length Carbon-Quality Steel Plate from the Republic of Korea*, 64 FR 73176, 73180 (December 29, 1999) (*CTL Plate*) the Department determined that the GOK still exercised substantial control over lending institutions in Korea during 1998. In addition, because no new factual information has been placed on the record, we preliminarily find direction of credit countervailable through 1999, which is the POR of this current administrative review.

Based on our findings on this issue in prior investigations, we are using the following benchmarks to calculate the subsidies attributable to respondents' long-term loans obtained in the years 1992 through 1999:

(1) For countervailable, foreign-currency denominated loans, we used, where available, the company-specific weighted-average U.S. dollar-denominated interest rates on the company's loans from foreign bank branches in Korea.

(2) For countervailable won-denominated long-term loans, where available, we used the company-specific corporate bond rate on the company's public and private bonds. We note that this benchmark is based on the decision in *Plate in Coils* in which we determined that the GOK did not control the Korean domestic bond market after 1991, and that domestic bonds may serve as an appropriate

¹ "Arnokrome III" is a trademark of the Arnold Engineering Company.

² "Gilphy 36" is a trademark of Imphy, S.A.

³ "Durphynox 17" is a trademark of Imphy, S.A.

⁴ This list of uses is illustrative and provided for descriptive purposes only.

benchmark interest rate (*see Plate in Coils*, 64 FR at 15531). Where unavailable, we used the national average of the yields on three-year corporate bonds, as reported by the Bank of Korea (BOK). We note that the use of the three-year corporate bond rate from the BOK follows the approach taken in *Plate in Coils*, in which we determined that, absent company-specific interest rate information, the corporate bond rate is the best indicator of a market rate for won-denominated long-term loans in Korea (*see Id.*).

Treatment of Subsidies Received by Trading Companies: We required responses from trading companies because the subject merchandise may be subsidized by means of subsidies provided to both the producer and the exporter of the subject merchandise. Subsidies conferred on the production and exportation of subject merchandise benefit the subject merchandise even if the merchandise is exported to the United States by a trading company rather than by the producer itself. Therefore, the Department calculates countervailable subsidy rates on the subject merchandise by cumulating subsidies provided to the producer with those provided to the exporter. During the POR, Inchon exported subject merchandise to the United States through a trading company, Hyundai Corporation (Hyundai). We required the trading company to provide a response to the Department with respect to the export subsidies under review.

Under section 351.107(b)(1) of the Department's regulations, when the subject merchandise is exported to the United States by a company that is not the producer of the merchandise, the Department may establish a "combination" rate for each combination of an exporter and supplying producer. However, as noted in the Preamble to the Final Regulations, there may be situations in which it is not appropriate or practicable to establish combination rates when the subject merchandise is exported by a trading company. *See Antidumping Duties; Countervailing Duties; Final rule*, 62 FR 27296, 27303 (May 19, 1997). In such situations, the Department will make exceptions to its combination rate approach on a case-by-case basis. *See Id.*

Preliminarily, we determined that it is not appropriate to establish combination rates. This determination is based on two main facts: first, the majority of the subsidies conferred upon the subject merchandise were received by the producer; second, the level of subsidies conferred upon the individual trading

company with regard to the subject merchandise is insignificant.

Instead, we have continued to calculate a rate for the producer of subject merchandise that includes the subsidies received by the trading company. To reflect those subsidies that are received by the exporter of the subject merchandise in the calculated *ad valorem* subsidy rate, we calculated the benefit attributable to the subject merchandise. We then factored that amount into the calculated subsidy rate for the relevant producer. In each case, we determined the benefit received by the trading company for each export subsidy, and weighted the average of the benefit amounts by the relative share of the trading company's value of exports of the subject merchandise to the United States. These calculated *ad valorem* subsidies were then added to the subsidies calculated for the producer of subject merchandise. Thus, for each of the programs below, the listed *ad valorem* subsidy rate includes countervailable subsidies received by both the producer and the trading company.

I. Programs Conferring Subsidies

A. The GOK's Direction of Credit

We determined in the *Final Affirmative Countervailing Duty Determination: Structural Steel Beams from the Republic of Korea*, 65 FR 41051 (July 3, 2000) (*H-beams*), that the provision of long-term loans via the GOK's direction of credit policies was specific to the Korean steel industry through 1991 within the meaning of section 771(5A)(D)(iii) of the Act. In *H-beams*, we also determined that the provision of these long-term loans through 1991 resulted in a financial contribution, within the meaning of sections 771(5)(E)(ii) and 771(5)(D)(i) of the Act, respectively.

In *H-beams*, the Department also determined that the GOK continued to control directly and indirectly the lending practices of most sources of credit in Korea through 1997. The Department determined in *H-beams* that the GOK's regulated credit from domestic commercial banks and government-controlled banks such as the Korea Development Bank (KDB) was specific to the steel industry. Further the Department determined in this investigation that these regulated loans conferred a benefit on the producer of the subject merchandise to the extent that the interest rates on these loans were less than the interest rates on comparable commercial loans within the meaning of section 771(5)(E)(ii) of the Act. In the final determination of

CTL Plate, the Department determined that the GOK continued to control, directly and indirectly, the lending practices of sources of credit in Korea in 1998. *See CTL Plate*, 64 FR at 73180.

We provided the GOK with the opportunity to present new factual information concerning the government's credit policies through 1999, the POR, which we would consider along with our finding in the prior investigations. The GOK did not provide any new factual information on this program that would lead us to change our determination in the current administrative review. Therefore, we continue to find lending from domestic banks and from government-owned banks such as the KDB to be countervailable.

With respect to foreign sources of credit, in *Plate in Coils* and *Sheet and Strip*, we determined that access to foreign currency loans from Korean branches of foreign banks (*i.e.*, branches of U.S.-owned banks operating in Korea) did not confer a benefit to the recipient as defined by section 771(5)(E)(ii) of the Act, and, as such, credit received by the respondent from these sources was found not countervailable. This determination was based upon the fact that credit from Korean branches of foreign banks was not subject to the government's control and direction. Thus, in *Plate in Coils* and *Sheet and Strip*, we determined that respondent's loans from these banks could serve as an appropriate benchmark to establish whether access to regulated foreign sources of credit conferred a benefit on respondents. As such, lending from this source continues to be not countervailable, and, where available, loans from Korean branches of foreign banks continue to serve as an appropriate benchmark to establish whether access to regulated foreign currency loans from domestic banks confers a benefit upon respondents.

Inchon received long-term fixed and variable rate loans from GOK owned/controlled institutions during the years 1993 through 1999 that were outstanding during the POR. In order to determine whether these GOK directed loans conferred a benefit, we compared the interest rates on the directed loans to the benchmark interest rates detailed in the "Subsidies Valuation Information" section of this notice.

The repayment schedules of these loans did not remain constant during the lives of the respective loans. Therefore, in these preliminary results, we have calculated the benefit from these loans using the Department's variable rate methodology. We first derived the benefit amounts attributable

to the POR for the company's fixed and variable rate loans, we then summed the benefit amounts from the loans and divided the total benefit by Incheon's total f.o.b. sales value during the POR. On this basis, we preliminarily determine the net countervailable subsidy to be 0.06 percent *ad valorem* for Incheon.

B. Article 17 of the Tax Exemption and Reduction Control Act (TERCL): Reserve for Overseas Market Development

Under Article 17 of the TERCL, a domestic person engaged in a foreign trade business is allowed to establish a reserve fund equal to one percent of its foreign exchange earnings from its export business for the respective tax year. Expenses incurred in developing overseas markets may be offset by returning from the reserve, to the income account, an amount equivalent to the expense. Any part of the fund that is not placed in the income account for the purpose of offsetting overseas market development expenses must be returned to the income account over a three-year period, after a one-year grace period. The balance of this reserve fund is not subject to corporate income tax during the grace period. However, all of the money in the reserve is eventually reported as income and subject to corporate tax either when it offsets export losses or when the grace period expires. The deferral of taxes owed amounts to an interest-free loan equal to the company's tax savings. This program is only available to exporters. Although Incheon did not use this program during the POR, it exported subject merchandise through Hyundai, which used this program during the POR.

In *CTL Plate*, 64 FR at 73181, we determined that the Reserve for Overseas Market Development program constituted a countervailable export subsidy under section 771(5A)(B) of the Act because use of the program is contingent upon export performance. Respondents have not provided any new information to warrant reconsideration of this determination. Therefore, we continue to find this program countervailable.

To determine the benefit conferred by this program, we calculated the tax savings by multiplying the balance amount of the reserve as of December 31, 1999, by the corporate tax rate for 1999. We treated the tax savings on these funds as a short-term interest-free loan. Accordingly, to determine the benefit, the amount of tax savings was multiplied by the Hyundai's weighted-average interest rate for short-term won-denominated commercial loans for the

POR. Using the methodology for calculating subsidies received by trading companies, which also is detailed in the "Subsidies Valuation Information" section of this notice, we calculate a countervailable subsidy of less than 0.005 percent *ad valorem* for Incheon.

C. Electricity Discounts Under the Requested Load Adjustment Program (RLA)

With respect to the Requested Load Adjustment (RLA) program, the GOK introduced this discount in 1990, to address emergencies in KEPCO's ability to supply electricity. Under this program, customers with a contract demand of 5,000 kW or more, who can curtail their maximum demand by 20 percent or suppress their maximum demand by 3,000 kW or more, are eligible to enter into a RLA contract with KEPCO. Customers who choose to participate in this program must reduce their load upon KEPCO's request, or pay a surcharge to KEPCO.

Customers can apply for this program between May 1 and May 15 of each year. If KEPCO finds the application in order, KEPCO and the customer enter into a contract with respect to the RLA discount. The RLA discount is provided based upon a contract for two months, normally July and August. Under this program, a basic discount of 440 won per kW is granted between July 1 and August 31, regardless of whether KEPCO makes a request for a customer to reduce its load. During the POR, KEPCO granted Incheon electricity discounts under this program.

In *Sheet and Strip*, the Department found this program countervailable under section 771(5A)(D)(iii)(I) of the Act because the discounts were distributed to a limited number of customers (*see Sheet and Strip*, 64 FR at 30646). Respondents have not provided any new information to warrant reconsideration of this determination. Therefore, we continue to find this program countervailable.

Because the electricity discounts provide recurring benefits, we have expensed the benefit from this program in the year of receipt. To measure the benefit from this program, we summed the electricity discounts which Incheon received from KEPCO under the RLA program during the POR. We then divided that amount by Incheon's total f.o.b. sales value for 1999. On this basis, we determine a net countervailable subsidy of less than 0.005 percent *ad valorem* for Incheon.

D. POSCO's Provision of Steel Inputs for Less Than Adequate Remuneration

POSCO is the only Korean producer of hot-rolled stainless steel coil (hot-rolled coil), which is the main input into the subject merchandise. During the POR, POSCO sold hot-rolled coil to Incheon for products that were consumed in Korea, as well as hot-rolled coil to produce exports of the subject merchandise. In *CTL Plate*, the Department determined that the GOK through its ownership and control of POSCO set prices of steel inputs used by the Korean steel industry at prices at less than adequate remuneration (*see CTL Plate*, 64 FR at 73184). Thus, in *CTL Plate*, the Department found this program countervailable.

Respondent claims that in May 1999, POSCO eliminated its two-tiered pricing system and established unit prices applicable for sales to all customers. Prior to that period, POSCO set different prices depending on whether the input was to be used to produce products for domestic consumption or export consumption. However, this change in pricing policies does not impact the determination made by the Department in *CTL Plate* (*see id.* at 73184–85). In *CTL Plate*, the Department did not determine that the difference in pricing between domestic and export consumption constituted a countervailable subsidy. Instead, the Department found that the prices charged by POSCO were for less than adequate remuneration (*see id.* at 73185). Therefore, the fact that POSCO now only charges one price to the Korean steel industry for steel inputs does not affect the determination as to whether a good or service has been provided for less than adequate remuneration. The Department must still examine the prices charged to Incheon by POSCO for hot rolled coil to determine whether the prices are still for less than adequate remuneration.

Under section 351.511(a)(2) of the CVD Regulations, the adequacy of remuneration is to be determined by comparing the government price to a market determined price based on actual transactions in the country in question. Such prices could include prices stemming from actual transactions between private parties, actual imports, or, in certain circumstances, actual sales from competitively run government auctions. During the POR, Incheon imported hot-rolled coil; therefore, we are using actual imported prices of hot-rolled coil as our basis of comparison to the price at which POSCO sold hot-rolled coil. Based upon this comparison, we

preliminarily determined that POSCO sold hot-rolled coil to Incheon at less than adequate remuneration. As a result, a benefit is conferred to Incheon under section 771(5)(E)(iv); therefore, we continue to find this program countervailable.

To determine the value of the benefit under this program, we compared the quarterly delivered weighted-average price charged by POSCO to Incheon for hot-rolled coils to the quarterly delivered weighted-average price Incheon paid for imported hot-rolled coil, by grade of hot-rolled coil, making due allowance for factors affecting comparability. We then multiplied this price difference by the quantity of hot-rolled coil that Incheon purchased from POSCO during the POR. We then divided the amount of the price savings by the f.o.b. sales value of merchandise produced using hot-rolled coils. On this basis, we determine that Incheon received a countervailable subsidy of 2.87 percent *ad valorem* from this program during the POR.

Respondents state that after the POR, on September 29, 2000, the privatization of POSCO was completed. As a result, they claim that this privatization of POSCO qualifies as a program-wide change pursuant to section 351.526 of the CVD Regulations. Under this regulation, the Department may adjust the CVD cash deposit rate to account for changes in the administration of a program under very specific circumstances. In accordance with Section 351.526 of the CVD Regulations, we preliminarily find that the privatization or a change in ownership of POSCO does not qualify as a program-wide change. If requested in any subsequent administrative review, we will examine the effect of POSCO's alleged privatization on this program.

II. Programs Determined To Be Not Used

A. Article 16 of the TERCL: Reserve for Export Loss

B. Investment Tax Credits under Article 10, 18, 25, 26, 27 and 71 of TERCL

C. Loans from the National Agricultural Cooperation Federation

D. Tax Incentives for Highly-Advanced Technology Businesses under the Foreign Investment and Foreign Capital Inducement Act

E. Reserve for Investment under Article 43-5 of TERCL

F. Export Insurance Rates Provided by the Korean Export Insurance Corporation

G. Special Depreciation of Assets on Foreign Exchange Earnings

H. Excessive Duty Drawback

I. Short-Term Export Financing

J. Export Industry Facility Loans

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for the producer/exporter subject to this administrative review. For the period November 17, 1998, through December 31, 1999, we preliminarily determine the net subsidy for Incheon to be 2.93 percent *ad valorem*.

If the final results of this review remain the same as these preliminary results, the Department intends to instruct Customs to assess countervailing duties as indicated above. The Department also intends to instruct Customs to collect cash deposits of estimated countervailing duties as indicated above of the f.o.b. invoice price on all shipments of the subject merchandise from reviewed companies, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. See 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was *not* requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. See *Federal-Mogul Corporation and The Torrington Company v. United States*, 822 F.Supp. 782 (CIT 1993) and *Floral Trade Council v. United States*, 822 F.Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR 351.212(c)(ii)(2). 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. If such a review has not been conducted, the rate established in the most recently completed administrative proceeding pursuant to the statutory provisions that were in effect prior to the URAA amendments is applicable. See *Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 64 FR 30636 (June 8, 1999). 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 November 17, 1998 through December 31, 1999, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of the public announcement of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Unless otherwise indicated by the Department, case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs, unless otherwise specified by the Department. 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. Parties submitting case and/or rebuttal briefs are requested to provide the Department copies of the public version on disk. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs, that is, thirty-seven days after the date of publication of these preliminary results.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date 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 is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677f(i)(1)).

Dated: August 31, 2001.

Bernard T. Carreau,
Acting Assistant Secretary for Import Administration.

[FR Doc. 01-22650 Filed 9-7-01; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 080701E]

Proposed Information Collection; Comment Request; Northwest Region Gear Identification Requirements; Correction

AGENCY: National Oceanic and Atmospheric Administration (NOAA).

ACTION: Notice.

SUMMARY: The Department of Commerce published a notice of proposed information collection on August 10, 2001. This notice makes a correction to that document.

SUPPLEMENTARY INFORMATION:

Need for Correction

In the August 10, 2001, issue of the **Federal Register** (FR Doc. 01-20118) "Proposed Information Collection; Comment Request; Northeast Region Gear Identification Requirements," the title should have read "Proposed Information Collection; Comment Request; Northwest Region Gear Identification Requirements." All other information remains unchanged.

Dated: August 31, 2001.

Gwellnar Banks,
Management Analyst, Office of the Chief Information Officer.

[FR Doc. 01-22639 Filed 9-7-01; 8:45 am]

BILLING CODE 3510-22-S

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Availability of Great Lakes Coastal Restoration Grants Implementation Plan

AGENCY: National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

ACTION: Notice of availability of Great Lakes Coastal Restoration Grants Implementation Plan.

SUMMARY: Notice is hereby given of the availability of the Great Lakes Coastal Restoration Grants Implementation Plan. The Commerce, State, Justice Appropriations Act for 2001 created the Great Lakes Coastal Restoration Grants program. This program provides funding for competitive matching grants to state and local governments for community based coastal restoration activities in the Great Lakes region. As required, the National Oceanic and Atmospheric Administration (NOAA) developed an implementation plan for this program, and submitted it to Congress on May 31, 2001.

The Great Lakes Coastal Restoration Grants Implementation Program will direct approximately \$30 million for matching grants to be awarded competitively to state agencies and local governments to undertake coastal and water quality restoration projects in the Great Lakes region. Other entities such as regional organizations and nonprofit groups are not eligible to receive funds directly, but are eligible to receive pass through funding from state agencies or local governments. The eligible states are Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin. These states will each receive a portion of the funds to support a competitive funding program. The funding levels are based on the Coastal Zone Management Act allocation formula, and are as follows: Illinois (\$1,750,000); Indiana (\$1,750,000); Michigan (\$7,000,000); Minnesota (\$1,938,000); New York (\$4,727,000); Ohio (\$4,489,000); Pennsylvania (\$1,846,000); Wisconsin (\$5,686,000). The statute requires matching grants but does not specify an amount. For this year, the match ratio is 4:1.

Each state will run a public competitive process to select eligible projects. At least fifty percent of a state's allocation should be directed to local government projects. The other specifics of the process, including timing and final project selection, are left up to

individual states. States are encouraged to utilize these funds to address restoration priorities identified in existing plans such as Coastal Management Plans and Remedial Action Plans. Proposals funded under this program should be consistent with a Great Lakes State's approved coastal management program under section 306 of the Coastal Zone Management Act (CZMA). Absent an approved program, projects must be consistent with the CZMA. Restoration projects eligible for funding include contaminated site cleanup, stormwater controls, wetland restoration, acquisition of greenways and buffers, and other projects designed to control polluted runoff and protect and restore coastal resources. States may use up to five percent of their allotments to cover the administrative expenses of implementing the program.

Copies of the Great Lakes Coastal Restoration Grants Implementation Plan can be found on the NOAA website at <http://www.ocrm.nos.noaa.gov/cpd> or may be obtained upon request from: Joseph Flanagan, Coastal Programs Division (N/ORM3), Office of Ocean and Coastal Resource Management, NOS, NOAA, 1305 East-West Highway, Silver Spring, Maryland, 20910, tel. 301-713-3155, extension 201, e-mail joseph.flanagan@noaa.gov.

FOR FURTHER INFORMATION CONTACT: John King, Acting Chief, Coastal Programs Division (N/ORM3), Office of Ocean and Coastal Resource Management, NOS, NOAA, 1305 East-West Highway, Silver Spring, Maryland, tel. 301-713-3155 extension 195, e-mail john.king@noaa.gov.

(Catalog of Federal Domestic Assistance Numbers: 11.419 for NOAA Coastal Zone Management Program Administration)

Dated: September 4, 2001.

Jamison S. Hawkins,
Deputy Assistant Administrator, Ocean Services and Coastal Zone Management, National Oceanic and Atmospheric Administration, Department of Commerce.

[FR Doc. 01-22587 Filed 9-7-01; 8:45 am]

BILLING CODE 3510-08-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 090401B]

Gulf of Mexico Fishery Management Council; Public Meeting

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