351.222, based on an affirmative statement of no interest by the petitioner in continuing the order with respect to PVA imported from Japan for use as a pharmaceutical excipient or for use in the manufacture of film coating systems which are components of a drug or dietary supplement, we are initiating this changed circumstances administrative review. Based on the fact that no other interested parties have objected to the position taken by the petitioner, we have determined that expedited action is warranted, and we are combining these notices of initiation and preliminary results. We have preliminarily determined that there are changed circumstances sufficient to warrant partial revocation of the antidumping duty order on PVA from Japan. Therefore, we are hereby notifying the public of our intent to revoke, in part, the antidumping duty order as it relates to imports of PVA for use as a pharmaceutical excipient or for use in the manufacture of film coating systems which are components of a drug or dietary supplement.

If final revocation, in part, occurs, we intend to instruct the Customs Service to end, effective on the date of publication in the **Federal Register** of the final notice of partial revocation, the suspension of liquidation and to refund any estimated antidumping duties collected for all unliquidated entries of the above described PVA not subject to final results of an administrative review. We will also instruct the Customs Service to pay interest on such refunds in accordance with section 778 of the Act. The current requirement for a cash deposit of estimated antidumping duties will continue until publication of the final results of this changed circumstances review.

Public Comment

Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these results. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication of these results. The Department will issue the final results of this changed circumstances review, which will include the results of its analysis raised in any such written comments, no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to our preliminary results.

This initiation of review and notice are in accordance with section 751(b) of the Act (19 U.S.C. 1675(b)), and 19 CFR 351.216, 351.221, and 351.222.

Dated: April 22, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–11529 Filed 4–29–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–122–404]

Live Swine From Canada; 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 live swine from Canada for the period April 1, 1996 through March 31, 1997. For information on the net subsidy for all producers covered by this order, 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: April 30, 1998.

FOR FURTHER INFORMATION CONTACT: Gayle Longest or Lorenza Olivas, Office 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 August 15, 1985, the Department published in the **Federal Register** (50 FR 32880) the countervailing duty order on live swine from Canada. On August 4, 1997, the Department published a notice of ''Opportunity to Request Administrative Review'' (62 FR 41925) of this countervailing duty order. We received timely requests for review and on September 25, 1997, we initiated the review, covering the period April 1, 1996 through March 31, 1997 (62 FR 50292).

The Department has determined that it is not practicable to conduct a company-specific review of this order because a large number of producers and exporters requested the review. Therefore, pursuant to section 777A(e)(2)(B) of the Tariff Act of 1930, as amended (the Act), we are conducting a review of all producers and exporters of subject merchandise covered by this order on the basis of aggregate data. This review covers 27 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). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR section 351, published in the **Federal Register** at 62 FR 27296 (May 19, 1997). The Department is conducting this administrative review in accordance with section 751(a) of the Act.

Scope of the Review

The merchandise covered by this order is live swine, except U.S. Department of Agriculture (USDA) certified purebred breeding swine, slaughter sows and boars, and weanlings, (weanlings are swine weighing up to 27 kilograms or 59.5 pounds) from Canada. The merchandise subject to the order is classifiable under the *Harmonized Tariff Schedule* (HTS) item numbers 0103.91.00 and 0103.92.00. The HTS item numbers are provided for convenience and U.S. Customs Service (Customs) purposes. The written description of the scope remains dispositive.

Analysis of Programs

Allocation Methodology

In the past, the Department has relied on information from the U.S. Internal Revenue Service (IRS) on the industry-specific average useful life of assets in determining the allocation period for nonrecurring grant benefits. *See General Issues Appendix* appended to *Final Countervailing Duty Determination; Certain Steel Products from Austria,* 58 FR 37063, 37226 (July 9, 1993). However, in *British Steel plc.* v. *United States,* 879 F. Supp. 1254 (CIT 1995) (*British Steel*), the U.S. Court of International Trade (the Court) ruled against this allocation methodology. In accordance with the Court's remand order, the Department calculated a company-specific allocation period for nonrecurring subsidies based on the average useful life (AUL) of non-renewable physical assets. This remand determination was affirmed by the Court on June 4, 1996. *See British Steel,* 929 F. Supp. 426, 439 (CIT 1996).

The Department has not appealed the Court's decision and, as such, we intend to determine the allocation period for nonrecurring subsidies using company-specific AUL data where reasonable and practicable. In *Live Swine from Canada; Preliminary Results of Countervailing Duty Administrative Review* (62 FR 52426; October 7, 1996) and *Live Swine from Canada; Final Results of Countervailing Duty Administrative Review* (62 FR 18087; April 14, 1997) (*Swine Tenth Review Results*), the Department determined that it is not reasonable and practicable to allocate non-recurring subsidies using company-specific AUL data because it is not possible to apply a company-specific AUL in an aggregate case (such as the case at hand). Accordingly, in this review, the Department has continued to use as the allocation period the average useful life of depreciable assets used in the swine industry, as set forth in the U.S. Internal Revenue Service (IRS) Class Life Asset Depreciation Range System (*see Swine Tenth Review Results*), which is a period of three years.

Calculation Methodology for Assessment and Cash Deposit Purposes

For the period of review (POR), we calculated the net subsidy on a country-wide basis by determining the subsidy rate for each program subject to the administrative review in the following manner. We first calculated the subsidy rate on a province-by-province basis; we then weight-averaged the rate received by each province using the province's share of total Canadian exports to the United States of the subject merchandise. We then summed the individual provinces' weight-averaged rates to determine the subsidy rate of each program. To obtain the country-wide rate, we then summed the subsidy rates from all programs.

I. Programs Conferring Subsidies

A. Programs Previously Determined to Confer Subsidies

1. Federal/Provincial Programs

a. *National Transition Scheme for Hogs.* After termination of the National Tripartite Stabilization Program (NTSP) for Hogs in July 1994, hog producers became eligible to participate in the National Transition Scheme for Hogs (Transition Scheme), which provided for one-time payments to producers of hogs marketed from April 3, 1994 through December 31, 1994. The Transition Scheme provided payments to hog producers of Can$1.50 per hog from the federal government and a matching Can$1.50 from the provincial government.

In *Swine Tenth Review Results,* the Department found this program to be *de jure* specific, and thus countervailable, because the Transition Scheme Agreement expressly limits its availability to a specific industry (swine). We determined that the amounts provided by both the federal and provincial governments to the hog producers during that POR under the Transition Scheme represented a grant. We also found that these grants were non-recurring because the transitional payments are exceptional; the recipient cannot expect to receive benefits on an ongoing basis from POR to POR; and the government approved funding under the Transition Scheme for one year only. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding.

In *Live Swine From Canada; Preliminary Results of Countervailing Duty Administrative Review* 62 FR 47460 (September 9, 1997) and *Live Swine From Canada; Final Results of Countervailing Duty Administrative Review* 63 FR 2204 (January 14, 1998) (*Swine Eleventh Review Results*) the following provinces received benefits under this program: Alberta, Manitoba, New Brunswick, Ontario, Quebec, and Saskatchewan.[1] The amount received under this program by live swine producers was greater than 0.50 percent of the value of total live swine sales in Canada. On this basis, we allocated the benefit from this grant over three years, which is the average useful life of depreciable assets used in the swine industry, as set out in the IRS Class Life Asset Depreciation Range System. We calculated the discount rate using the same methodology applied in previous reviews. (*See Live Swine From Canada; Notice of Preliminary Results of Countervailing Duty Administrative Reviews; Initiation and Preliminary Results of Changed Circumstances Review and Intent To Revoke Order in Part* 61 FR 26879, 26884 (May 29, 1996) and *Live Swine From Canada; Final Results of Countervailing Duty Administrative Reviews* 61 FR 52408 (October 7, 1996) *Swine 7,8,9 Review Results.* We used, as a discount rate, the simple average of the monthly medium-term corporate bond rates for the eleventh POR, from the *Bank of Canada Review Autumn (1996),* published by the Bank of Canada. We applied our standard grant methodology to calculate each province's benefit.

During the POR, there were no payments given under this program. However, residual benefits from provinces receiving payments in the 1995–1996 POR continue to provide countervailable benefits during the POR now under review, which is the second year of the three-year allocation period. To derive the benefit in this review, we took the portion of the benefit allocated to this POR from the *Swine Eleven Review Results* and, using each province's calculated total weight of market hogs produced during the POR, derived a benefit per kilogram for each province. We used only the weight of market hogs because only market hogs were eligible to receive NTSP benefits. We then weight averaged the benefits by each province's share of total Canadian exports of market hogs to the United States during the POR and summed the weighted averages. On this basis, we preliminarily determine the net subsidy for this program to be Can$0.0041 per kilogram for the POR.

The Transition Scheme program has been terminated. Because the last date residual benefits may accrue is the last day of the three-year allocation period, which is March 31, 1998, prior to the publication of these preliminary results, we determine that this program is terminated with no residual benefits. Moreover, there is no evidence on the record which would indicate that residual benefits are being provided or received or that a substitute program has been implemented. *See e.g., Swine Eleventh Review Results.* Therefore, for cash deposit purposes, the cash deposit rate for this program will be adjusted to zero due to the program-wide change which became effective April 1, 1998. However, we will continue to examine this program in the subsequent administrative review, if conducted, which would cover the last year of the three-year allocation period for purposes of duty assessment.

2. Provincial Programs

a. *Alberta Crow Benefit Offset Program (ACBOP).* This program, administered by the Alberta Department of Agriculture, is designed to compensate producers and users of feed grain for market distortions in feed grain prices, created by the federal government's policy on grain transportation. Assistance is provided

[1] We note that the provinces of British Columbia, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Saskatchewan received payments under this program during the 1994–1995 POR which were expensed in the year of receipt. *See Swine Tenth Review Results.*

for feed grain produced in Alberta, feed grain produced outside Alberta but sold in Alberta, and feed grain produced in Alberta to be fed to livestock on the same farm. The government provides ''A'' certificates to registered feed grain users and ''B'' certificates to registered feed grain merchants to use as partial payments for grain purchased from grain producers. Feed grain producers who feed their grain to their own livestock submit a Farm Fed Claim directly to the government for payment.

Hog producers receive benefits in one of three ways: hog producers who do not grow any of their own feed grain receive ''A'' certificates which are used to cover part of the cost of purchasing grain; hog producers who grow all of their own grain submit a Farm Fed Claim to the government of Alberta for direct payment; and hog producers who grow part of their own grain but also purchase grain receive both ''A'' certificates and direct payments.

In *Swine Second and Third Review Results* (56 FR 10412), the Department found this program to be *de jure* specific, and thus countervailable, because the legislation expressly makes it available only to a specific group of enterprises or industries (producers and users of feed grain). No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding.

To determine the benefit to swine producers from this program, we followed the methodology used in *Swine Tenth Review Results.* Using the Alberta *Supply and Disposition Tables,* we first estimated the quantity of grain consumed by livestock in Alberta during the POR. Then we multiplied the number of swine produced in Alberta during the POR by the estimated average grain consumption per hog, and divided the result by the amount of total grains used to feed livestock during the POR. We thus calculated the percentage of total livestock consumption of all grains in Alberta attributable to live swine during the POR. We then multiplied this percentage by the total value of ''A'' certificates and farm-fed claim payments received by producers during the POR. We divided this amount by the total weight of live swine produced in Alberta during the POR. We then weight-averaged this per-kilo benefit by Alberta's share of total Canadian exports of market hogs to the United States. On this basis, we preliminarily determine the benefit to be less than Can$0.0001 per kilogram for the POR.

ACBOP was terminated on March 31, 1994. Benefits for ''A'' certificates had to be claimed by June 30, 1994, and benefits tied to farm-fed grains had to be claimed by August 31, 1994. The original deadline for any payment of benefits under the program was March 31, 1996, however, producers could receive payments until May 17, 1996. Since no payments could be received after the publication of these preliminary results, we determine this program terminated with no residual benefits. Moreover, there is no evidence on the record which would indicate that residual benefits are being provided or received or that a substitute program has been implemented. Therefore, we will not examine this program in the future, and the cash deposit rate will continue to be zero for this program. (*See Swine Eleventh Review Results*).

b. *Ontario Livestock and Poultry and Honeybee Compensation Program.* This program, administered by the Farm Assistance Programs Branch of the Ontario Ministry of Agriculture, Food, and Rural Affairs, provides assistance in the form of grants which compensate producers for livestock and poultry injured or killed by wolves, coyotes, or dogs. Swine producers apply for and receive compensation through the local municipal government, and the Ontario Ministry of Agriculture, Food, and Rural Affairs reimburses the municipality.

In *Swine Fifth Review Results* (56 FR 29227), the Department found this program to be *de jure* specific, and thus countervailable, because the legislation expressly makes it available only to a specific group of enterprises or industries (livestock, poultry farmers, and beekeepers). No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding.

To calculate the benefit, we used the methodology applied in *Swine Sixth Review Results* (58 FR 54119) and subsequent reviews. We divided the total payment to hog producers during the POR by the total weight of live swine produced in Ontario. We then weight-averaged the result by Ontario's share of Canadian exports of market hogs to the United States during the POR. On this basis, we preliminarily determine the benefit from this program to be less than Can$0.0001 per kilogram for the POR.

c. *Saskatchewan Livestock Investment Tax Credit.* Saskatchewan's 1984 Livestock Tax Credit Act provides tax credits to individuals, partnerships, cooperatives, and corporations who owned and fed livestock marketed or slaughtered by December 31, 1989. Claimants had to be residents of Saskatchewan and pay Saskatchewan income taxes. Eligible claimants received credits of Can$3 for each hog. Although this program was terminated on December 31, 1989, tax credits are carried forward through the end of fiscal year 1996 (April 1, 1995 through March 31, 1996). In *Swine First Review Results* (53 FR 22198), the Department found this program to be *de jure* specific, and thus countervailable, because the program's legislation expressly made it available only to livestock producers. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding.

To calculate the benefit for the POR, we used the methodology applied in *Swine Sixth Review Results* (58 FR 54120) and subsequent reviews (*see Swine Tenth Review Results*). In the questionnaire responses, the GOC provided estimates of the amount of tax credits used by hog producers in Saskatchewan during the POR, since the actual amounts cannot be determined. We divided the amount of benefit by the total weight of live swine produced in Saskatchewan during the POR. We then weight-averaged the result by Saskatchewan's share of total exports of market hogs to the United States. On this basis, we preliminarily determine the benefit from this program to be less than Can$0.0001 per kilogram for the POR.

The Saskatchewan Livestock Investment Tax Credit was terminated on December 31, 1989 and the last year for disbursement of benefits was fiscal year 1996 (April 1, 1995 through March 31, 1996). Therefore, we consider this program terminated. Moreover, there is no evidence on the record which would indicate that residual benefits are being provided or received or that a substitute program has been implemented. Therefore, we will not examine this program in the future, and the cash deposit rate will continue to be zero for this program.

d. *Saskatchewan Livestock Facilities Tax Credit.* This program, which was terminated on December 31, 1989, provided tax credits to livestock producers based on their investments in livestock production facilities. The tax credits can only be used to offset provincial taxes and may be carried forward for up to seven years or until no later than fiscal year 1996 (April 1, 1995 through March 31, 1996). Livestock covered by this program includes cattle, horses, sheep, swine, goats, poultry, bees, fur-bearing animals raised in captivity, or any other designated animals; covered livestock can be raised for either breeding or slaughter. Investments covered under the program include new buildings, improvements to existing livestock facilities, and any stationary equipment related to livestock facilities. The program pays 15 percent of 95 percent of project costs, or 14.25 percent of total costs.

In *Swine Second and Third Review Results* (55 FR 20820), the Department found this program to be de jure specific, and thus countervailable, because the program's legislation expressly made it available only to livestock producers. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding.

To calculate the benefit, we used the methodology applied in *Swine Sixth Review Results* (58 FR 54121) and subsequent reviews (*see Swine Tenth Review Results*). In the questionnaire responses, the GOC provided estimates of the amount of tax credits used by hog producers in Saskatchewan, since the actual amounts cannot be determined. We divided the amount of benefit by the total weight of live swine produced in Saskatchewan during the POR. We then weight-averaged the result by Saskatchewan's share of total exports of market hogs to the United States. On this basis, we preliminarily determine the benefit from this program to be less than Can$0.0001 per kilogram for the POR.

The Saskatchewan Livestock Facilities Tax Credit was terminated on December 31, 1989 and the last year for use of tax credits was fiscal year 1996 (April 1, 1995 through March 31, 1996). Therefore, we consider this program terminated. Moreover, there is no evidence on the record which would indicate that residual benefits are being provided or received or that a substitute program has been implemented. Therefore, we will not examine this program in the future, and the cash deposit rate will continue to be zero for this program.

e. *New Brunswick Livestock Incentives Program*. This program, which operates under the Livestock Incentives Act, provides loan guarantees to livestock producers purchasing cattle, sheep, swine, foxes, and mink for breeding purposes, and for feeding and finishing livestock for slaughter. Loans in amounts ranging from Can$1,000 to Can$90,000 are granted by commercial banks or credit unions and guaranteed by the Government of New Brunswick (GONB) to an individual, partnership, corporation or incorporated co-operative association engaged in farming in New Brunswick. Swine producers submit an application for a loan under this program to a bank. The bank evaluates the loan application based upon standard loan criteria and either approves or rejects the application. A consideration for obtaining the loan is the presentation to the GONB of a farm plan established at the time the loan is taken out. For loans given for the purchase of animals for breeding purposes, the term of the loan is not more than seven years and the first payment of the principal is due two years after the date on which the loan was given. For loans given for the purchase of animals for feeding purposes, the loan is due when the animals have been sold which shall not exceed a period of eighteen months. The interest rate for these loans is set at the prime rate plus one percentage point.

At the end of three years after loans are issued, the GONB may give 20 percent of the loan amount to the farmer in the form of a grant. To be eligible for this grant, the farmer must have implemented, in a satisfactory manner, the farm plan established at the time the loan was taken out. The grant portion of this program was terminated for loans issued after July 15, 1992. No grants were provided during the POR and the GOC reported that no further grants will be issued under this program.

In Swine Second and Third Review Results (55 FR 20817), the Department found this program to be de jure specific, and therefore countervailable, because the program's legislation expressly made it available only to livestock producers. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding.

In accordance with section 771(5)(E)(iii) of the Act, a benefit from a loan obtained with a government guarantee shall normally be treated as conferred "if there is a difference, after adjusting for any difference in guarantee fees, between the amount the recipient of the guarantee pays on the guaranteed loan and the amount the recipient would pay for a comparable commercial loan if there were no guarantee by the authority." While there are no guarantee fees, the recipients are paying interest at the prime rate plus one percentage point. In *Swine Tenth Review Results* we found that the predominant lending rates in Canada for comparable long-term variable-rate loans are based on the prime rate plus a one or two-point spread. Therefore, in accordance with the *Swine Tenth Review Results* methodology, as our benchmark during the POR, we used the prime rate as published by the Bank of Canada in the *Bank of Canada Review Summer* (1997) plus one and one-half percentage points. This rate represents the simple average of the spread above prime charged by commercial banks on comparable loans. Comparing the benchmark interest rate to the interest rate charged on these loans, we preliminarily determine that the amount the recipient paid on these loans is less than the recipient would have paid on a comparable commercial loan. We note that because this review is conducted on an aggregate basis we are using a national-average short-term benchmark rather than a company-specific benchmark rate.

We calculated the benefit from the loan portion of this program as follows. For loans outstanding during the POR, either without repayments or paid off during the POR, we followed the methodology outlined in *Swine Tenth Review Results.* We determined the amount of the benefit attributable to the POR by calculating the difference between what the recipient paid during the POR under loans guaranteed by the GONB and what the recipient would have paid during the POR under the benchmark interest rate. We divided the benefit from all outstanding loans and loans paid off during the POR by the total weight of live swine produced in New Brunswick during the POR. We then weight-averaged the benefit by New Brunswick's share of Canadian exports of market hogs to the United States during the POR. On this basis, we preliminarily determine the net subsidy from this program to be less than Can$0.0001 per kilogram.

f. *New Brunswick Swine Industry Financial Restructuring and Agricultural Development Act—Swine Assistance Program*. The Swine Assistance program was established in fiscal year 1981–82, by the Farm Adjustment Board, under the Farm Adjustment Act, to provide interest subsidies on medium-term loans to hog producers. The program was available only to hog producers who entered production or underwent expansion after 1979. In 1985, the Farm Adjustment Act changed to the Agricultural Development Act. In 1984–85, this program was combined with the Swine Industry Financial Restructuring program under the New Brunswick Regulation 85–19. At that time, all obligations and outstanding loans under the Swine Assistance program were rolled over into the Swine Industry Financial Restructuring program.

The Swine Industry Financial Restructuring program was created by the Farm Adjustment Act (OC 85–98) and became effective April 1, 1985. Under this program the Government of New Brunswick granted hog producers indebted to the Board a rebate of the interest on that portion of their total debt (the residual debt) that, on March 31, 1984, exceeded the "standard debt load.'' The standard debt load is defined in the program's regulations as the amount of debt which the farmer, in the opinion of the Board, can reasonably be expected to service. The residual debt does not begin to accrue interest again until the debt load is no longer ''excessive.''

In *Swine Second and Third Review Results* (55 FR 20816, 20817), the Department examined these two programs separately. The Department found (1) the Swine Assistance program to be countervailable because loans were provided to a specific industry on terms inconsistent with commercial considerations, and (2) the New Brunswick Swine Industry Financial Restructuring program to be countervailable because it was limited to a specific industry and the government's rebate of interest and the interest repayment holiday were loan terms inconsistent with commercial considerations. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of these findings.

In *Swine Tenth Review Results,* we found that no new loans were provided for the past ten years, and that there was no recent activity on the outstanding loans. The loans given to producers were ''set aside'' in a provincial account and were not accruing any interest. The Department found that interest not accruing on the outstanding loan balance constituted a benefit to live swine producers. No changes to this program were reported in the instant review.

To calculate the benefit from this program, we multiplied the total outstanding debt at the beginning of the POR by the benchmark interest rate. We used, as a benchmark interest rate, the prime rate, as published by the Bank of Canada in the *Bank of Canada Review Summer* (1997), plus one and one-half percentage points. This rate represents the simple average of the commercially available rates for comparable loans. (*See Swine Tenth Review Results*). Next, we divided the benefit by the total weight of live swine produced in New Brunswick during the POR. We then weight-averaged the benefit by New Brunswick's share of Canadian exports of market hogs to the United States during the POR. On this basis, we preliminarily determine the benefit to be less than Can$0.0001 per kilogram for the POR.

II. Programs Preliminarily Determined Not to Confer Subsidies

A. Research Program under the Canada/Quebec Subsidiary Agreement on Agri-Food Development

The GOC and the GOQ reported that all projects completed under the Research program during the POR were made publicly available. Because the research results are publicly available, we preliminarily determine that the Research program did not confer countervailable subsidies to live swine during the POR. (*See e.g., Certain Cut-to-Length Carbon Steel Plate from Sweden; Preliminary Results of Countervailing Duty Administrative Review,* 62 FR 51683 (October 3, 1996) and *Certain Cut-to-Length Carbon Steel Plate from Sweden; Final Results of Countervailing Duty Administrative Review,* 62 FR 16551 (April 7, 1997).

III. Programs Preliminarily Determined to be Not Used

We also examined the following programs and preliminarily determine that the producers and/or exporters of the subject merchandise did not apply for or receive benefits under these programs during the POR:

A. Western Diversification Program
B. Farm Income Stabilization Insurance
C. Federal Atlantic Livestock Feed Initiative
D. Agricultural Products Board Program
E. Newfoundland Farm Products Corporation Hog Price Support Program
F. Newfoundland Hog Price Stabilization Program
G. Newfoundland Weanling Bonus Incentive Policy
H. Nova Scotia Improve Sire Policy
I. Ontario Bear Damage to Livestock Compensation Program
J. Ontario Rabies Indemnification Program
K. Ontario Swine Sales Assistance Policy

IV. Programs Preliminarily Determined to be Terminated

We have examined the following programs and preliminarily determine they were terminated prior to the beginning of the POR (April 1, 1996), and there is no evidence which would indicate that residual benefits are being bestowed or that a substitute program has been implemented:

A. New Brunswick Swine Assistance Policy on Boars
B. Ontario Export Sales Aid

V. Other Programs Examined

On November 17, 1997, the GOC and the GOQ requested ''green box'' treatment for the Agri-Food Agreement. Under section 771(5B)(F) of the Act, domestic support measures provided with respect to the agricultural products listed in Annex 1 to the 1994 WTO Agreement on Agriculture shall be treated as non-countervailable if the Department determines that the measures conform fully with the provisions of Annex 2 of that same Agreement. The GOQ and the GOC claimed that the Agri-Food Agreement met these criteria, and therefore, funding under the Agri-Food Agreement should be noncountervailable pursuant to section 771(5B)(F) of the Act.

The initial Agri-Food Agreement was signed on February 17, 1987 and remained in effect from 1987 to 1991. On August 26, 1993, a new Agri-Food Agreement was enacted by the governments of Canada and Quebec covering the period April 1, 1993 through March 31, 1998. Funding for this agreement is shared 50/50 by the federal and provincial governments. Through this Agreement, grants are made to private businesses and academic organizations to fund projects under the following program areas:

(1) Research

The purpose of this program area is to increase and diversify scientific and technical expertise, in both the area of industrial production and in university-based studies. Specific areas of expertise to be covered include: food production, processing, storage and marketing.

(2) Technology Innovation

The purpose of this program area is to speed up the rate of adoption and dissemination of technologies and innovation and the development of new products. This program operates through awarding financial assistance and technical support to groups wishing to carry out testing projects or develop new technologies to promote agri-food development.

(3) Support for Strategic Alliances

The purpose of this program area is to stimulate cooperation and promote strategic activities intended to improve competitiveness in domestic and foreign markets. Funding for projects is made available to an ''industry network'' (which includes all stakeholders in an agri-food industry, from the producer of the raw material to the final processor) through an application and approval process.

The Department has previously examined each of the three components under the Agri-Food Agreement (Research, Technology Innovation, and Support for Strategic Alliances) as three separate programs. *See Swine Tenth Review Results*. During the POR, producers of the subject merchandise received assistance under the three component programs of the Agri-Food Agreement for which the GOC and the GOQ have requested green box treatment.

Specifically, with regard to the Research program as discussed above in the section II, we have preliminarily determined that this program does not confer countervailable benefits because the results of the research are publicly available. As such, there is no need to address whether it is non-countervailable in the context of section 771(5B)(F). With regard to the Technology Innovations program and the Support for Strategic Alliances program, any benefit to the subject merchandise under either program or both programs combined is so small (Can$ 0.0000013 and Can$ 0.0000008 per kilogram, respectively) that there is no cumulative impact on the overall subsidy rate. Accordingly, because there is no impact on the overall subsidy rate in the instant review, we have not included the benefits from Technology Innovations program and the Support for Strategic Alliances program in the calculated subsidy rate for the POR, and do not consider it necessary to address the issue of whether benefits under these programs are noncountervailable as green box subsidies pursuant to section 771(5B)(F) of the Act. *See, e.g., Final Affirmative Countervailing Duty Determination: Steel Wire Rod from Germany*, 62 FR 54990, 54995 (October 22, 1997); *Certain Carbon Steel Products from Sweden; Preliminary Results of Countervailing Duty Administrative Review* 61 FR 64062, 64065 (December 3, 1996) and *Certain Carbon Steel Products from Sweden; Final Results of Countervailing Duty Administrative Review* 62 FR 16549 (April 7, 1997); *Final Negative Countervailing Duty Determination: Certain Laminated Hardwood Trailer Flooring (''LHF'') From Canada* 62 FR 5201 (February 4, 1997); *Industrial Phosphoric Acid From Israel; Preliminary Results of Countervailing Duty Administrative Review* 61 FR 28845 (June 6, 1996) and *Industrial Phosphoric Acid From Israel; Final Results of Countervailing Duty Administrative Review* 61 FR 53351 (October 11, 1996).

In addition, some farmers in Prince Edward Island received payments during the POR under the Agricultural Disaster Insurance Program (ADIP), which is authorized under section 12(5) of the Farm Income Protection Act (FIPA) and a provincial statute. ADIP is a voluntary whole farm program under which a farmer may apply for income support when his current income margin falls below 70 percent of the average of the three previous years. Because ADIP provides income assistance based on a ''whole farm'' basis, it is not possible to segregate out benefits to individual agricultural products. Furthermore, it is not clear whether live swine producers benefitted from this program during the POR. The GOC stated that this program was designed to meet the ''green box'' criteria under the 1994 WTO Agreement on Agriculture. With regard to the ADIP program, any benefit to the subject merchandise under this program is so small (Can$ 0.0000081 per kilogram) that there is no impact on the overall subsidy rate, even when taking into account the assistance provided under the Technology Innovations program and the Support for Strategic Alliances program. In other words, when the benefits from the Technology Innovations program and the Support for Strategic Alliances program and the ADIP program are summed, the aggregate benefit from these three programs has no impact on the overall subsidy rate. Accordingly, because there is no impact on the overall subsidy rate in the instant review, we have not included the benefits from ADIP in the calculated subsidy rate for the POR, and do not consider it necessary to address the issue of whether benefits under this program are countervailable in this review.

Preliminary Results of Review

We preliminarily determine the total net subsidy on live swine from Canada to be Can$0.0041 per kilogram for the period April 1, 1996 through March 31, 1997. This rate is *de minimis*. If the final results of this review remain the same as these preliminary results, the Department intends to instruct Customs to liquidate without regard to countervailing duties all shipments of the subject merchandise from Canada.

Because the calculated net subsidy of Can$0.0041 per kilogram is *de minimis*, the cash deposit rate will be zero. Accordingly, for all shipments of the subject merchandise from Canada, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review, the cash deposits of estimated countervailing duties will be zero, if the final results remain the same as the preliminary results.

Public Comment

Parties to the proceeding may request disclosure of the calculation methodology and 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 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 in accordance with section 751(a)(1) of the Act (19 U.S.C. section 1675(a)(1)), 19 CFR section 351.213.

Dated: April 23, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–122–815]

Preliminary Results of the Fifth Countervailing Duty Administrative Reviews; Pure Magnesium and Alloy Magnesium From Canada

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

ACTION: Notice of Preliminary Results of Countervailing Duty Administrative Reviews.

SUMMARY: The Department of Commerce is conducting administrative reviews of the countervailing duty orders on pure magnesium and alloy magnesium from Canada. For information on the net subsidy for the reviewed company, as