lower value-added products. This is consistent with the methodology used in *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, Germany, Italy, Japan, Romania, Singapore, Sweden, and The United Kingdom: Notice of Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews,* 63 FR 6512 (February 9, 1998).

We do not agree with the petitioners' argument that, due to shortcomings in Aguas Claras' recordkeeping discovered at verification, it would be more appropriate to apply a fixed average selling expense to all products. However, we cannot address the specifics of the petitioners' argument in this public forum, as a meaningful discussion is only possible by means of reference to business proprietary information. We have addressed the petitioners' argument in a separate memo to the file, which has been placed on the official record, and served upon parties with access to such information under administrative protective order.

We note that, although only Aguas Claras requested that the Department recalculate CV indirect selling expenses, to ensure consistency in our calculations for the other respondents we have also revised their CV indirect selling expenses on the same basis.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(4)(B) of the Act, we are directing the Customs Service to continue suspending liquidation of all entries of fresh Atlantic salmon from Chile, except for subject merchandise produced and exported by Camanchaca and Marine Harvest (which have *de minimis* weighted-average margins), that are entered, or withdrawn from warehouse, for consumption on or after January 16, 1998 (the date of publication of the preliminary determination in the **Federal Register**). The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the normal value exceeds the EP or CEP, as indicated in the chart below. These instructions suspending liquidation will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
Aguas Claras	8.27
Camanchaca	0.21
Eicosal	10.91
Mares Australes	2.24
Marine Harvest	1.36
All Others	5.19

Section 735(c)(5)(A) of the Act directs the Department to exclude all zero and *de minimis* weighted-average dumping margins, as well as dumping margins determined entirely under facts available under section 776 of the Act, from the calculation of the ''all others'' rate. As explained above in Comment 5, we have therefore excluded the *de minimis* dumping margins for Camanchaca and Marine Harvest from the calculation of the ''all others'' rate. No dumping margins were based entirely on facts available.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing the Customs Service to assess antidumping duties on all imports of the subject merchandise entered for consumption on or after the effective date of the suspension of liquidation.

This determination is published pursuant to sections 735(d) and 777(i) of the Act.

Dated: June 1, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–15183 Filed 6–8–98; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–337–802]

Final Negative Countervailing Duty Determination: Fresh Atlantic Salmon from Chile

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

EFFECTIVE DATE: June 9, 1998.

FOR FURTHER INFORMATION CONTACT: Rosa Jeong, Marian Wells or Todd Hansen, Office of Antidumping/Countervailing Duty Enforcement, Group 1, Office 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–1278, 482–6309 or 482–1276, respectively.

Final Determination

The Department of Commerce (the ''Department'') determines that countervailable subsidies are not being provided to producers or exporters of fresh Atlantic salmon (''salmon'') in Chile.

Petitioners

The petition in this investigation was filed by the Coalition for Fair Atlantic Salmon Trade (''FAST'') and the following individual members of FAST: Atlantic Salmon of Maine; Cooke Aquaculture U.S., Inc.; DE Salmon, Inc.; Global Aqua—USA, llc; Island Aquaculture Corp.; Maine Coast Nordic, Inc.; ScanAm Fish Farms; Treats Island Fisheries; and Trumpet Island Salmon Farm, Inc. (collectively referred to hereinafter as the ''petitioners'').

Case History

Since the publication of the preliminary negative determination in the **Federal Register** on November 19, 1997 (62 FR 61803) (''*Preliminary Determination*''), the following events have occurred.

On December 3, 1997, the petitioners requested that the Department collect information on Law 889, a program which we had not included in our investigation because information in the petition indicated that the program was no longer in existence. The petitioners' submission included evidence that indicated that this program was in operation during the POI.

Upon a review of information on the record, we determined that because the program was included in the petition, the petitioners' request constituted a timely submission of factual information rather than a new subsidy allegation. Accordingly, on December 11, 1997, we requested that the Government of Chile (''GOC'') provide information regarding benefits provided under Chilean Law 889. The GOC submitted the requested information on January 21, 1998.

We conducted verification of the responses of the GOC from January 28 through February 11, 1998.

The petitioners and the GOC filed case and rebuttal briefs on March 4 and

March 10, 1998, respectively. The Department held a hearing on March 13, 1998.

On March 9, 1998, the petitioners amended the petition to include Trumpet Island Salmon Farm, Inc., a U.S. producer of the subject merchandise, as an additional petitioner.

Scope of Investigation

The scope of this investigation covers fresh, farmed Atlantic salmon, whether imported ''dressed'' or cut. Atlantic salmon is the species *Salmo salar,* in the genus *Salmo* of the family *salmoninae.* ''Dressed'' Atlantic salmon refers to salmon that has been bled, gutted, and cleaned. Dressed Atlantic salmon may be imported with the head on or off; with the tail on or off; and with the gills in or out. All cuts of fresh Atlantic salmon are included in the scope of the investigation. Examples of cuts include, but are not limited to: crosswise cuts (steaks), lengthwise cuts (fillets), lengthwise cuts attached by skin (butterfly cuts), combinations of crosswise and lengthwise cuts (combination packages), and Atlantic salmon that is minced, shredded, or ground. Cuts may be subjected to various degrees of trimming, and imported with the skin on or off and with the ''pin bones'' in or out.

Excluded from the scope are: (1) fresh Atlantic salmon that is ''not farmed'' (*i.e.,* wild Atlantic salmon); (2) live Atlantic salmon; and (3) Atlantic salmon that has been subjected to further processing, such as frozen, canned, dried, and smoked Atlantic salmon, or processed into forms such as sausages, hot dogs, and burgers.

The merchandise subject to this investigation is classifiable at item numbers 0302.12.0003 and 0304.10.4093 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

The Applicable Statute

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 effective January 1, 1995 (the ''Act'').

Period of Investigation (''POI'')

The period for which we are measuring subsidies is calendar year 1996.

Subsidies Valuation Information

Benchmarks for Loans and Discount Rates: To calculate the countervailable benefit from loans and nonrecurring grants, we have used the average rates for U.S. dollar lending in Chile, as calculated by the *Superintendencia de Bancos e Instituciones Financieras* (''SBIF''), the Chilean bank supervisory agency. The U.S. dollar interest rates were used because the loans in question were denominated in U.S. dollars and the grant that was allocated over time was made in U.S. dollars.

Allocation Period: Based on information provided by the GOC, we have used nine years, the weighted-average useful life of productive assets for the Chilean salmon industry, as the allocation period in this investigation.

De Minimis Countervailable Subsidy

Pursuant to its authority under section 771(36) of the Act, the United States Trade Representative (''USTR'') has designated Chile as a ''developing country.'' *See USTR Interim Final Rule: Developing and Least-Developed Country Designations Under the Countervailing Duty Law* (15 CFR 2013). Consequently, a net countervailable subsidy rate that does not exceed two percent *ad valorem* is considered *de minimis,* in accordance with section 703(b)(4)(B) of the Act and Article 27 of the Agreement on Subsidies and Countervailing Measures (''SCM Agreement''). As discussed below, we determine that the net countervailable subsidy bestowed on fresh Atlantic salmon from Chile is less than two percent *ad valorem,* and therefore, *de minimis.*

Based upon our analysis of the petition, the responses to our questionnaires, and the information reviewed at verification, we determine the following:

I. Programs Determined To Be Countervailable

A. ProChile Export Promotion Assistance

In the preliminary determination, we found that this program conferred countervailable subsidies on the subject merchandise. Our review of the record, our findings at verification and our analysis of the comments submitted by the interested parties, summarized below, have led us to modify our findings from the preliminary determination for this program. *See infra* Comments 2 and 4 for a discussion of issues related to this program. *See also* memorandum from the team to the file, ''Calculations for Final Determination,'' dated June 1, 1998 (public version on file in the Central Records Unit of the Department of Commerce) (''*Calculation Memorandum*''). The benefit in the POI was calculated using our standard grant allocation methodology. The countervailable subsidy rate for this program is changed and is determined to be 0.04 percent *ad valorem.*

B. CORFO Export Credit Insurance Premium Assistance

In the preliminary determination, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change any findings or calculations. Accordingly, the countervailable subsidy for this program is unchanged and is determined to be 0.01 percent *ad valorem.*

C. Law 18,634

In the preliminary determination, we found that the fiscal credit and the waiver provisions of this program conferred countervailable subsidies on the subject merchandise. Based on our review of the record and our analysis of comments on this program from the interested parties, we have changed our findings and find the entirety of Law 18,634, including the duty deferral provision which was preliminarily determined to be not countervailable, constitutes a countervailable export subsidy. *See infra* Comment 5; *see also* infra Comment 6 for a discussion of another issue that did not affect our findings. We changed our methodology for calculating the fiscal credit benefit to account for the difference between the date the GOC records the loan and the date the funds are disbursed to participants. In addition, we corrected our calculations for certain clerical errors discovered in the data submitted by the GOC. *See infra* Comment 7. Accordingly, the countervailable subsidy for this program is changed and is determined to be 0.48 percent *ad valorem.*

D. Promotion and Development Fund (Decree 15)

In the preliminary determination, we found that this program conferred countervailable subsidies on the subject merchandise. Our review of the record and our analysis of the comments on this program from the interested parties have not led us to change our findings or calculations. *See infra* Comment 11. Accordingly, the countervailable subsidy for this program is unchanged and is determined to be 0.01 percent *ad valorem*.

E. Law 18,480

In the preliminary determination, we found that this program conferred countervailable subsidies on the subject merchandise. Our review of the record and our analysis of the comments submitted by the interested parties have led us to modify our calculations from the preliminary determination for this program. Specifically, we adjusted the denominator used to calculate the benefit for this program. *See infra* Comment 8; *see also Calculation Memorandum*. Accordingly, the countervailable subsidy for this program has been changed and is determined to be 0.06 percent *ad valorem*.

F. Law 889 (Workers' Support Program)

(As discussed in the ''Case History'' section above, Law 889 was not considered at the preliminary determination.)

Law 889, enacted in 1975, established the ''Workers'' Support Program'' for Regions I, XI and the province of Chiloé in Region X. In 1993, the eligibility was extended to the province of Palena, also in Region X. The Workers' Support Program provides grants to employers operating in those named regions in an amount equivalent to 17 percent of the taxable remuneration of the worker. The taxable remuneration of the employee must not exceed 90,000 pesos. This limit is adjusted every year according to the Consumer Price Index of the corresponding year (adjusted to 109,967 pesos during the period January 1, 1996, through May 31, 1996, and then again to 118,984 pesos for the remainder of 1996). The GOC reports that the government policy behind this program was to provide an incentive to generate new jobs in certain economically disadvantaged territories of the country by compensating for a portion of the cost of labor to employers operating in those regions.

To be eligible, the company must employ workers who are both domiciled and permanently employed in the identified regions. Certain employers including the public sector, large and medium copper and iron mining companies, state-controlled enterprises, banking and financing companies, insurance companies, and domestic (household) workers are excluded from benefits under this program. The GOC has provided information on the amount of grants received under this program by the producers and exporters of fresh Atlantic salmon.

We determine that the Workers' Support Program under Law 889 provides countervailable subsidies within the meaning of section 771(5) of the Act. The grants are a direct transfer of funds providing a benefit in the amount of the grant. Pursuant to section 771(5A)(D)(iv) of the Act, the grants are specific because they are limited to firms located in a designated geographical region.

Because these grants are made on an ongoing basis, we have treated these grants as recurring based on the analysis set forth in the *General Issues Appendix (''GIA'')*, attached to the *Final Affirmative Countervailing Duty Determination: Certain Steel Products from Austria*, 58 FR 37217, 37226 (July 9, 1993).

To calculate the subsidy rate, we divided the benefit attributable to the POI by the value of all sales by producers and exporters of salmon during the POI. *See infra* Comment 11. On this basis, we determine the countervailable subsidy for this program to be 0.51 percent *ad valorem*.

II. Programs Determined To Be Not Countervailable

Based on the information provided in the responses and the results of verification, we continue to find the following programs not countervailable for the same reasons identified in the preliminary determination:

A. Fundación Chile Assistance
B. Fund for Technological and Productive Development (FONTEC)
C. Central Bank Chapter XIX
D. Law 18,449 (Stamp Tax Exemption)
E. Article 59 of Law 824

III. Programs Determined To Be Not Used

Based on the information provided in the responses and the results of verification, we determine that the following programs were not used:

A. Institute for Technological Research (INTEC)
B. Central Bank Chapter XVIII
C. Export Promotion Fund
D. CORFO Export Credits and Long-Term Export Financing
E. Law 18,392 (Tax Exemptions)

IV. Programs Determined Not To Exist

Based on information provided by the GOC and the results of verification, we determine that the following programs do not exist:

A. GOC Guarantee of Private Bank Loans
B. Import Substitution Subsidy for New Industries
C. Tax Deductions Available to Exporters

V. Other Programs Examined

A. Export Credit Limits

In our preliminary determination, we found that Law 18,576, which authorizes banks to lend an additional five percent of their paid-in capital to exporters for their foreign currency loans, did not confer countervailable benefits on the subject merchandise. (*See Preliminary Determination* at 61808.) In *Final Affirmative Countervailing Duty Determination; Standard Carnations from Chile,* 52 FR 3313, 3315 (February 3, 1987), we found this program to be not used, stating: ''[W]e found no indication that the exporters under investigation received more loans than domestic sellers.'' At verification, we met with several representatives from private banks in Chile, as well as representatives from the Central Bank and from the SBIF. These experts indicated that bank credit limits are designed to limit a bank's loss exposure to any one client. They further stated that the decision to lend funds to an individual customer is based on a variety of factors, and that the bank will seek to prudently assess the risk associated with lending to that customer (*see* memorandum from the team to Roy A. Malmrose, Acting Director, Office I, ''Verification of the Questionnaire Responses of the Government of Chile,'' dated February 27, 1998, page 33 and Appendix 3 at page 2).

Because Law 18,576 limits the amount that a bank may lend to any individual customer, and it allows higher credit limits for export loans, it may constitute a countervailable subsidy within the meaning of section 771(5) of the Act. The GOC is directing the actions of financial institutions by setting credit limits for otherwise similarly situated domestic borrowers at a lower level than that which is available to exporters. The higher lending limits for exporters may result in exporters receiving more credit from any one bank than would otherwise be available from that bank. The higher credit limits are specific because they are contingent on exportation or anticipated exportation.

A review of the record evidence, however, has led us to conclude that any potential benefit to the subject merchandise resulting from this program would be minuscule. First, the salmon industry in Chile is fragmented, with many small- and medium-sized producers and exporters. Accordingly, the borrowing needs of any individual producer are relatively insignificant. Second, the banking industry in Chile has undergone a period of consolidation, such that the available capital at larger banks for an individual domestic borrower is substantial. Further, record evidence indicates that the Chilean banking industry is highly competitive; there is no reason to believe loans on similar terms are not available from other banks. In fact, information on the record does not demonstrate any differential between interest rates on export loans compared to domestic loans that can be attributed to Law 18,576. Because there would likely be no impact on the overall subsidy rate in the instant investigation for the POI, we do not consider it necessary to address the issue of whether this program is countervailable or what would be the appropriate methodology for measuring any benefit accruing to the subject merchandise.

Interested Party Comments

Comment 1: The petitioners argue that Chile should be treated as a developed country subject to a *de minimis* threshold of one percent for purposes of the countervailing duty law. The GOC rebuts that Chile is a developing country and should, therefore, be subject to a two percent *de minimis* threshold.

Department's Position: As acknowledged by the parties, section 771(36) of the Act reserves the authority to designate Chile's status as developed or developing for purposes of the countervailing duty law to the USTR. Accordingly, we are not addressing this issue. *See supra* section entitled ''*De Minimis* Countervailable Subsidy.''

Comment 2: The GOC claims that ProChile assistance is not countervailable because ProChile's services are not contingent upon exports and ProChile does not promote certain products over others. According to the GOC, the fact that 46 percent of the companies using ProChile's services in 1996 did not export evinces the lack of an export requirement. The GOC further contends that the ProChile program is used by a broad range of industries from all regions of Chile, thereby proving that the program is neither *de jure* nor *de facto* specific.

Moreover, the GOC argues that ProChile's activities consist mostly of general informational activities, similar to those practiced by the U.S. Department of Commerce, International Trade Administration's Foreign Commercial Service (''FCS'') and Trade Development (''TD'') divisions. According to the GOC, ProChile provides the same services for a broad spectrum of Chilean goods and services and does not seek to promote a particular product over others.

The petitioners contend that the GOC's argument does not address the presumption of *per se* specificity for export subsidies. The petitioners argue that because the GOC assesses export potential when considering a company for participation in ProChile export promotion events, the program is contingent on exports or anticipated exports and, thus, countervailable. The petitioners note that even if 46 percent of the participating companies did not export, the majority, 54 percent, did export. The petitioners argue that the name of the division of the GOC administering the ProChile program, the Export Promotion Bureau, is further evidence that the organization provides a countervailable export promotion subsidy.

The petitioners also reject the GOC's argument that ProChiles' activities should be considered ''general informational activities.'' The petitioners assert that export promotion programs that promote a specific product or provide financial assistance, are not general export promotion.

Department's Position: For this final determination we continue to find that payments by ProChile to underwrite the cost of trade fairs held in the United States and other marketing expenses to promote, *inter alia,* Chilean salmon, are countervailable export subsidies within the meaning of section 771(5) of the Act. At these trade fairs, ProChile promoted specific products and assumed certain advertising and marketing costs for the participating firms. Consistent with footnote 4 to Article 3.1(a) of the SCM Agreement, the payments made by ProChile are tied to anticipated exportation of Chilean salmon.

Our treatment of this program as a countervailable export promotion program is consistent with our determination in *Final Affirmative Countervailing Duty Determination: Certain Fresh Atlantic Groundfish from Canada,* 51 FR 10041 (March 24, 1986) (''*Groundfish from Canada*''). In that case, we countervailed a program in which the Canadian government promoted certain products at a trade show abroad, covering advertising costs among other costs.

We agree with the GOC that ProChile provides varied services to many companies, including non-exporters, and supports general informational activities. However, our finding of countervailability in this investigation does not extend to those services and activities. We have only found countervailable ProChile's assumption of costs in connection with the salmon producers' and exporters' participation in trade fairs held in the United States.

Comment 3: The GOC claims that the trade fair, ''Event Bon Appétit,'' is not countervailable because it is part of a much broader Chilean promotion campaign that does not promote salmon over other products. According to the GOC, this program works to promote the image of Chile without assuming costs that the salmon industry would otherwise incur. In the event that the Department continues to find ''Event Bon Appétit'' to be countervailable, the GOC asserts that certain payments made after the POI should not be considered countervailable.

The petitioners counter that ''Event Bon Appétit'' is countervailable because it conferred an export subsidy to the salmon industry by promoting the export of salmon and wine to the United States over other Chilean goods. The petitioners note that this is consistent with the treatment of a similar program in the *Groundfish from Canada,* where the Department countervailed a program in which the Canadian government promoted certain products at a trade show abroad, covering advertising costs among other expenses.

The petitioners further argue that the entirety of ''Event Bon Appétit'' funding should be countervailed because it is the Department's practice to find that the benefit occurs when the recipient experiences the economic effect of the subsidy. The petitioners cite to *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order; Certain Steel Wire Nails from New Zealand,* 52 FR 37196, 37197 (October 5, 1987) (''*Wire Nails from New Zealand*'') where the Department measured tax benefits on an earned basis because the amount of the benefit was known at the time a firm made an export transaction. The petitioners argue that it is irrelevant when the GOC actually disbursed funds to pay for the events that had already benefitted the salmon exporters. What is important, according to the petitioners, is when the salmon exporters experienced the economic effect of the subsidy, *i.e.,* at the time of the ProChile-sponsored event.

Department's Position: While we agree with the petitioners that ''Event Bon Appétit'' is specific in that it is contingent on exports within the meaning of section 771(5A)(B) of the Act , we disagree with them concerning the timing of the subsidy benefits. The Department's practice deems benefits to be received at the time that there is an effect on the recipient's cash flow. In the case of the provision of a good or service, this would be the time a firm pays, or in the absence of payment, would have paid, for the good or service. (*See, e.g., Countervailing Duties: Notice of Proposed Rulemaking,* 54 FR

23368 (May 31, 1989) (''*1989 Proposed Regulations*'') section 355.48(b)(2), and *GIA* at 37228–29, ''[B]enefits are generally deemed to be received at the time there is a cash flow effect on the company receiving the benefit.'') The Department occasionally makes an exception to this general rule where benefits are earned on a shipment-by-shipment basis and are known at the time of export, as was the case in *Wire Nails from New Zealand,* but, because the benefits are not associated with specific export transactions, this is not the case here. (*See also Final Results of Countervailing Duty Administrative Review: Certain Iron-Metal Castings from India,* 56 FR 52521, 52527 (October 21, 1991).)

Where the GOC paid fees in connection with this event after the POI to the firms that provided the services, the salmon exporter experienced the cash flow effect after the POI. Accordingly, we have not included payments made after the POI in our calculation of benefits from ''Event Bon Appétit.''

We have continued to find the costs paid by the GOC during the POI in putting on this event countervailable, however, as they were costs that would normally have been paid by the producers and exporters of the promoted merchandise, were targeted to the U.S. market, and were contingent on exportation.

Comment 4: The GOC argues that the ''Summer Harvest'' event is not countervailable because it was sponsored as an ''image'' event involving a broad range of products that did not promote particular products over others. The GOC asserts that many of the costs of the event were covered by private participants and no funds were provided by the GOC directly to the Chilean companies or associations. The GOC argues that if the Department calculates a benefit from the ''Summer Harvest'' event, it must use a denominator that reflects the participation of the salmon industry as one of many participating products rather than allocating all of the benefits of the event to salmon.

The petitioners assert that the ''Summer Harvest'' event is fully countervailable. The petitioners argue that the GOC should have reported the program prior to verification and that its decision not to report the program does not demonstrate that the program constitutes general export promotion. The petitioners argue that the GOC's analysis is flawed because the Department's determination of an export subsidy considers neither the examination of the number of participants nor the amount of the government contribution. According to the petitioners, the ''Summer Harvest'' event is fully countervailable because it was not limited to general informational activities, promoted particular products over others, and targeted the U.S. market. The petitioners contend that because the record lacks adequate information to properly calculate the value of the benefit conferred by this event, the Department must apply facts available.

Department's Position: We agree with the GOC that the ''Summer Harvest'' event does not constitute a countervailable subsidy. A review of the information on the record indicates that ''Summer Harvest'' was an ''image'' event that falls within the category of activities defined as ''general export promotion'' which the Department has declined to countervail in past cases. *See, e.g., Certain Fresh Cut Flowers From Mexico,* 49 FR 15007, 15008 (April 16, 1984) and *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order; Cotton Sheeting and Sateen From Peru,* 48 FR 4501, 4504 (February 1, 1983); *see also 1989 Proposed Regulations* (section 355.44(m)) and *Countervailing Duties; Proposed Rule,* 62 FR 8818, 8825 (February 26, 1997) (''*1997 Proposed Regulations*''). While the GOC did consider the export potential of products on display at the event, a very broad range of products was invited to participate in an effort to position the image of Chile as a producer of high quality food products for the world market. We note that in the documentation, the participants were referred to by the GOC as ''donors'' of the merchandise on display. Although the GOC covered certain expenditures related to the event, we note that none of the outlays by the GOC for this event went to the Chilean associations participating, nor did the GOC cover any of their costs. In fact, the participants covered a significant portion of the general costs associated with this event, in addition to contributing merchandise for display (including transportation costs from Chile). Accordingly, we have not included an amount for the ''Summer Harvest'' event in our calculation of benefits to the subject merchandise from ProChile's export promotion activities.

Comment 5: The GOC argues that the fiscal credit program of Law 18,634 is not an import substitution subsidy and, thus, should not be countervailed. The GOC contends that the fiscal credit provision and the duty deferral provision are in fact a single loan program, rather than two separate ones, and when considered together for the Department's specificity analysis, the program does not constitute an import substitution subsidy.

According to the GOC, the fiscal credit and duty deferral provisions of Law 18,634 are both part of a single, unified statutory loan program whose purpose is to promote investment in capital goods regardless of the source of those goods. The GOC points out both the fiscal credit and the duty deferral are established in the same law, administered in the same manner, and their rules are set forth in the same Chilean Customs resolution. Referring to the factors set forth in the Department's *1997 Proposed Regulations* (at 8825) and *1989 Proposed Regulations* (section 355.43(b)(6)) with respect to the Department's practice in evaluating programs that are ''integrally linked,'' the GOC states that the fiscal credit and duty deferral provisions of Law 18,634 meet all of the factors. According to the GOC, an evaluation of factors demonstrates that the duty deferral and fiscal credit are not only integrally linked, but they in fact are a single loan program.

The GOC argues that the purpose and design of the fiscal credit was to ensure that imports and domestic products would be treated equally. Referring to the legislative history of Law 18,634, the GOC asserts that the fiscal credit was specifically adopted to offset the pecuniary benefits to imported goods created by the duty deferral provision.

When the fiscal credit and duty deferral provisions are considered together, the GOC argues that the fiscal credit does not create a preference for domestic goods nor are the loans issued contingent upon the purchase of domestic goods. The GOC points out that the amount of fiscal credit is equal to 73 percent of the amount of the customs duty that would be deferred under the duty deferral provision. Consequently, the GOC asserts, the program avoids any preference for domestic goods since the amount of the fiscal credit for domestic goods can never exceed the amount of the duty deferral for imported goods. The GOC further states that the conditions for obtaining a loan under this program are the same for both provisions of the law which is limited to the type and the value of the good. According to the GOC, the source of the good as either foreign or domestic does not affect the eligibility, the issuance or the condition of the loan. The GOC states that the source is only relevant in determining whether the form of the loan will be that of a fiscal credit or a duty deferral.

When considered as a single domestic subsidy program, the GOC contends that the usage information on the record demonstrates that the two provisions are not specific in that there is no disproportionate or dominant usage by the salmon industry.

The petitioners argue that the fiscal credit and the duty deferral provisions are properly analyzed as separate programs. Because the receipt of benefits is available only to purchasers of domestic goods, the petitioners assert that the fiscal credit program is a *de jure* import substitution subsidy which is *per se* specific pursuant to section 771(5A)(A) of the Act. According to the petitioners, whether the fiscal credit provision or both provisions of Law 18,634 taken together creates any ''preference'' is irrelevant to the analysis of an import substitution subsidy, *i.e.,* whether receipt of benefit is contingent on the purchase of domestic goods over imported goods. Moreover, the petitioners argue that contrary to the GOC's claims, the program encourages firms to purchase domestic goods through the issuance of interest-free credits. According to the petitioners, the duty deferral provision addresses the distortion caused by the imposition of the import tariff and, thus, allows imported capital goods to compete on an equal basis with domestic capital goods. The petitioners contend that the fiscal credit provision, on the other hand, artificially reduces the price of the domestic good that was made comparable through the duty deferral, thereby creating a preference to purchase domestic goods.

Furthermore, the petitioners argue that the ''integral linkage'' test does not apply in this situation because the test is only relevant in analyzing the *de facto* specificity of domestic subsidies. Because the fiscal credit program is specific as an import substitution subsidy, the petitioners assert that a *de facto* specificity analysis is unnecessary and irrelevant. Even assuming the integral linkage test were appropriate in this case, the petitioners argue that Law 18,634 does not satisfy the criteria set forth in the Department's integral linkage analysis. In particular, the petitioners claim that the GOC has not proven that the programs share the same purpose and that all recipients are treated equally.

Department's Position: In our preliminary determination, we analyzed the assistance provided under Law 18,634 by considering separately four components of the law. First, firms that import capital equipment are eligible to defer payment of duty. Second, if the firm that imports the equipment meets a specified export target, then the deferred duty and accrued interest are waived. Third, firms that purchase their equipment domestically are eligible to borrow up to 73 percent of the value of the duty that would have been paid if the equipment had been imported. Finally, if the firm that purchases domestically sourced equipment meets a specified export target, then the loan and accrued interest are forgiven. In our preliminary determination, we found that all the components of Law 18,634 except the first conferred countervailable subsidies. This was consistent with our determinations in past cases (*see, e.g., Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Brazil,* 58 FR 37295, 37299 (July 9, 1993) (Exemption of IPI and Duties on Imports under Decree-Law 2324)). With respect to the duty deferral, we found that the benefit was not specific.

The GOC argues that two components of the program, the duty deferral component and the loans to purchasers of domestically sourced equipment, should be treated as a single program for specificity analysis. We have not adopted this position because it amounts to picking and choosing which elements of the law should be combined in order to achieve the result that the loans to purchasers of domestically sourced equipment are not specific. Based on our review of the law and its legislative history, we have determined that the four components should be analyzed as a single program.

In its argument, the GOC points to the legislative history discussing the purpose of introducing the loans and waivers for purchases of domestically sourced equipment, *i.e.,* to avoid a preference for imported equipment. However, the same legislative history indicates that the purpose of the pre-existing duty deferral and waiver system was to promote importation of capital goods and, *at the same time,* to promote exports. (*See* January 21, 1998 GOC Submission, exhibit 8, page 2, paragraph 2.) We further note that all components of Law 18,634 are administered by Chilean Customs, and the list of eligible goods is the same for the duty deferral/waiver components as for the loan/waiver for domestically sourced equipment. Thus, the loan/waiver for domestically sourced equipment was added to and became part of an overall scheme to, *inter alia,* promote exports.

While we acknowledge that the duty deferrals and loans for purchases of domestically sourced equipment are not strictly contingent upon exportation, their overarching purpose, along with the waiver components, is to promote exports. Viewed as a whole, we determine that the benefits provided under Law 18,634 constitute an export subsidy within the meaning of section 771(5A)(B) of the Act are, therefore, specific. A benefit is conferred on the recipient firms in the amount of the waivers and to the extent that the benchmark interest exceeds the program interest on the duty deferrals and on the loans for purchases of domestically sourced equipment.

Comment 6: The petitioners argue that the fiscal credits under Law 18,634 constitute contingent liabilities which should be treated as short-term, interest-free loans in the final determination. Referring to section 355.49(f) of the *1989 Proposed Regulations,* the petitioners assert that ''where a government provides a long-term, interest-free loan, the obligation for repayment of which is contingent upon subsequent events,'' the Department's practice is to treat such loans as short-term, interest-free loans. According to the petitioners, all the conditions of section 355.49(f) are met here.

The petitioners first state that the loans are long-term because the repayment of the fiscal credits under Law 18,634 occurs at years three, five and seven from the date of receipt. Second, the petitioners point out that even though interest may be accruing, the recipient company is not required to make any principal or interest payments until the occurrence of subsequent events. According to the petitioners, the lack of payments during the period that the fiscal credits are outstanding and given the significant likelihood of a salmon company having its fiscal credit waived, the fiscal credits are in effect equivalent to a zero interest rate loan. In addition, the petitioners assert that because repayment of principal and interest is subject to a condition relating to a specific export target, the fiscal credits represent contingent liabilities. The petitioners further state that the Department treated loans with similar payment structures to Law 18,634 fiscal credits as contingent liabilities in past cases such as *Final Affirmative Countervailing Duty Determination: Carbon Steel Products from Sweden,* 50 FR 33375 (August 19, 1985) and *Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Germany,* 58 FR 37315 (July 9, 1993).

The GOC counters that because Law 18,634 fiscal credits are in fact *not* interest-free, the petitioners' proposed methodology of treating the loans as interest-free would effectively double-count interest—once when accrued interest has been waived and again when the amount of interest is calculated. The GOC states that the cases cited by the petitioners are clearly distinguishable because the programs examined actually did involve interest-free loans. By contrast, the GOC asserts that the fiscal credits accrue interest from the invoice date of the capital good and, thus, are not interest-free for any period of time. According to the GOC, the Department's preliminary determination methodology of calculating the difference between program interest and benchmark interest accurately captured all benefits offered by the fiscal credits.

Department's Position: We agree with the GOC. While the fiscal credits may represent contingent liabilities in that repayment is conditioned upon subsequent events, the methodology contained in section 355.49(f) of the *1989 Proposed Regulations* is inapplicable because the loans are in fact not interest-free. Under the terms of Law 18,634, the interest on the fiscal credit accrues from the date of the invoice of the capital good until the time of repayment. Although the accrued interest, along with the principal, may ultimately be waived, we cannot ignore the fact that the interest may have to be paid. Despite the petitioners' argument that a salmon company was significantly more likely to have its fiscal credit waived, the fact remains that some of the borrowers did not meet the conditions and did repay the accrued interest and the principal. As stated by the GOC, by countervailing the difference between the program and the benchmark interest rate during the time the fiscal credit is outstanding and then countervailing the entire waived amount, we have accurately captured all benefits that arise from the fiscal credits.

Comment 7: The GOC argues that the Department should adjust the reported amounts for waivers of deferred duties and fiscal credits under Law 18,634 to correct for amounts that were double-counted in the database submitted by the GOC, as detailed in the GOC's January 21, 1998 submission, and supplemented in the January 27, 1998 submission.

The GOC notes that the Department verified that when there was a change in ownership of equipment on which the duty deferral or fiscal credit was claimed, that asset was reentered in the fiscal credit database although the original balance was not deleted from the original database. The GOC argues that to avoid double-counting, the Department should delete all fiscal credit entries with reference numbers less than 500,000 from the database.

Department's Position: We have corrected the amount of waivers in our final determination to exclude double-counted waivers of interest, deferred duties and fiscal credits identified by the GOC in the January 28, 1998 submission. We have not deleted all balances with reference numbers of less than 500,000 as suggested by the GOC, however, as it is the original reference number that represents the obligation of the original owner and should be deleted, not the number that represents the obligation by the subsequent purchaser. The GOC has not identified the matching reference numbers for all reference numbers less than 500,000. Accordingly, we have no assurance that the seller was a producer of the subject merchandise and that the seller's obligation for the duty deferral or fiscal credit was included in the submitted databases.

Comment 8: The petitioners argue that the Department should recalculate the benefit provided under Law 18,480 to reflect the Department's practice of tying a subsidy to the particular product that it benefits. The petitioners suggest that the Department divide the amount of grants received by the value of the salmon producers' exports of only those products eligible to receive such benefits.

The petitioners contend that by using a denominator comprised of all exports by the salmon producers and exporters, the Department significantly understated the benefits conferred by this program in the preliminary determination.

The petitioners suggest that because the GOC has not provided the information needed to calculate the correct denominator, *i.e.*, a denominator that includes only eligible merchandise, the Department should use a numerator that would include total receipts under both prongs of Law 18,480. The petitioners also assert that the GOC should have been able to identify the subject merchandise in question and the amount of benefits tied to that merchandise through the paperwork required to document each refund with the *Servicio Nacional de Aduanas* (''Chilean Customs'') and the *Tesoreria General de la Republica* (''Chilean Treasury'').

The GOC argues that the petitioners have an incorrect understanding of Law 18,480 and that the Department should continue to calculate the benefits from Law 18,480 by using all exports as the denominator and all subsidy benefits received under the domestically sourced inputs program as the numerator. The GOC asserts that using the denominator of total exports is appropriate because the reported amount of benefits for the domestic input prong of Law 18,480 was the total amount of benefits received by the responding companies on all of their exports. The GOC asserts that the petitioners' statement that there are categories of exports that are not eligible for either prong of Law 18,480 is erroneous, as eligibility for the domestic input prong of Law 18,480 is not related to the product exported.

The GOC also argues that it is not practicable for the GOC to report benefits received only on exports of the subject merchandise. The GOC insists that databases at the Chilean Customs and the Chilean Treasury do not contain a link allowing them to cross-reference and determine the amount of benefits claimed on domestic inputs based on exports of a given category of merchandise. The GOC states that it has no way to identify the exported merchandise on which benefits were claimed and therefore had no alternative but to report only the benefits received for domestically sourced inputs on all exports by producers and exporters of the subject merchandise. The GOC contends that it has acted to the best of its ability to comply with all requests from the Department during this proceeding, therefore eliminating any grounds to apply adverse facts available. According to the GOC, the Department should not add a value for the simplified duty drawback to the input credit benefits, *i.e.*, increase the numerator to match the denominator, because salmon is not eligible for the simplified duty drawback. The GOC argues that it would clearly be incorrect for the Department to countervail benefits that do not and cannot relate to the subject merchandise. The GOC argues that if the Department considers it necessary to adjust the calculation of the benefit rate for this program, the Department should reduce the denominator to exclude only those exports where the exporter was shown to have claimed simplified duty drawback on that category of merchandise.

Department's Position: The selection of an appropriate calculation methodology for this program has been complicated because there are two, potentially overlapping provisions to Law 18,480, and because of the manner in which the GOC maintains records concerning benefits under this program.

The first provision of Law 18,480 provides a simplified duty drawback for small-volume, ''non-traditional,'' exports. The second provision enables exporters to claim benefits for certain domestically sourced inputs which are incorporated into exports of other merchandise. The subject merchandise is not eligible for the simplified duty drawback provision, however, during the POI, exporters of the subject merchandise claimed benefits for domestically sourced inputs incorporated in their exports of salmon. Exporters of the subject merchandise also exported other merchandise, for which they may have claimed benefits for domestically sourced inputs or simplified duty drawback.

As noted by the GOC, exporters of merchandise that is eligible for the simplified duty-drawback provision also have the option of claiming benefits for the inputs into that merchandise. They cannot, however, receive payments under both the simplified drawback and the provision for domestically sourced inputs for the same export transaction. Also, as noted by the petitioners, not all exports are eligible to claim benefits for domestically sourced inputs. These include, *e.g.*, exports for which regular duty drawback was claimed, exports where imported inputs exceed 50 percent of the f.o.b. value of the exported merchandise, and exports whose raw materials or main factor of production is ineligible for the simplified duty drawback and represents 85 percent or more of the f.o.b. value of the exported merchandise.

To calculate the countervailing duty rate for this program, we would prefer to have information on the benefits provided for exports of the subject merchandise, and divide that amount by the value of exports of the subject merchandise. That is not possible in this instance, however, because when the GOC receives claims for benefits for domestically sourced inputs, it records this information under the customs category of the input, not based on the merchandise that is exported. Based on our verification, we are satisfied that the GOC was not able to provide information on the amount of benefits paid on exports of the subject merchandise.

The GOC was able to provide total payments to exporters of salmon under the provision for domestically sourced inputs, which may include payments for non-subject merchandise exported by these companies. In our preliminary determination, we divided these total receipts by the value of all products exported by the salmon exporters.

For our final determination, we have modified our calculation from the preliminary determination because we believe it understated the benefit to exports of the subject merchandise. In particular, because certain exports of non-subject merchandise are eligible for the simplified drawback and because the amount of benefits the exporters would receive under the simplified drawback is generally greater than the amount they would receive under the provision for domestically sourced inputs, we have assumed that in most cases, if a claim were filed, the simplified drawback would be claimed for eligible exports. Consequently, at our request, the GOC provided information on the amount of exports eligible for simplified duty drawback and we have adjusted the denominator used in our preliminary determination to exclude exports of such merchandise.

The GOC has argued that salmon exporters may have claimed benefits for domestically sourced inputs where merchandise was also eligible for the simplified drawback and, hence, payments related to merchandise excluded from our denominator may be included in our numerator. If our assumption is correct that salmon exporters can be expected to use simplified drawback for exports of non-subject merchandise eligible for that program, rather than claim benefits for domestically sourced inputs, then our preliminary methodology dilutes the benefit calculation for the subject merchandise. This dilution would result from including exports of non-subject merchandise in the denominator that had already benefited from the simplified drawback and did not and could not have received the payments included in our numerator (benefits for domestically sourced inputs). To the extent that benefits for domestically sourced inputs were claimed for exports eligible for simplified drawback by salmon exporters, we acknowledge that the denominator may be slightly understated.

We disagree with the petitioners that the correct way to adjust our calculation would be to increase the numerator by including simplified drawback payments received on shipments of non-subject merchandise. Because the benefits available under the simplified drawback are generally much greater, this would have the effect of significantly overstating the benefit to subject merchandise. Additionally, we have not calculated the benefit from this program by using only exports of subject merchandise as the denominator, because such a methodology would clearly overstate the benefit from this program. We note that while certain exports may not receive benefits for domestically sourced inputs, this is dependent on the inputs, and not the category of merchandise exported. Thus, exports of non-subject merchandise included in our denominator are not precluded from claiming benefits for domestically sourced inputs. Consequently, to the extent that non-subject merchandise is included in the denominator, we have no evidence or reason to believe that the benefit rate claimed on this merchandise was less than the rate for benefits claimed on exports of the subject merchandise.

Under the circumstances of this investigation, we have matched our denominator to our numerator as best we can to measure the benefit to the subject merchandise. As noted above, we are satisfied that the GOC acted to the best of its ability in providing the information we requested and, hence, we are not drawing an adverse inference. However, we believe we have made reasonable assumptions and have calculated the most accurate rate possible given the information available.

Comment 9: The petitioners argue that Chile's Chapter XIX debt-for-equity swap program provided countervailable benefits to the producers of the subject merchandise. The petitioners contend that the debt-for-equity swap provided a financial contribution and that the acceptance by the Central Bank of Chile of a proposed swap was contingent, either in law or in fact, upon exportation by the applicant.

The petitioners cite anecdotal evidence included in articles written on Chapter XIX that indicate that one of the goals of the Chapter XIX program was to promote exports. The petitioners further point to regulations issued in July 1990 for Chapter XIX transactions which indicate that a preference would be given to export-oriented or import-substituting projects. Although these regulations were not in effect at the time the transactions involving producers of the subject merchandise occurred, the petitioners argue that the regulations merely codified pre-existing policies. The petitioners cite documents gathered at verification claiming that these documents demonstrate that anticipated exportation was a condition for acceptance of a proposed swap. As further evidence that Chapter XIX approvals were biased in favor of exports, and particularly in favor of non-traditional exports, the petitioners point to statistics which indicate that 70 percent of Chapter XIX projects through 1989 were in export-oriented industries, while only 11 percent were in mining which previously accounted for 58 percent of Chile's exports. The petitioners acknowledge that not every participant in the Chapter XIX debt conversion program was in an export-oriented industry however, the petitioners argue that in *Final Affirmative Countervailing Duty*

Determination and Countervailing Duty Order; Extruded Rubber Thread From Malaysia, 57 FR 38472 (August 25, 1992) (''*Extruded Rubber Thread*''), the Department found that benefits were countervailable where Pioneer status was conferred on a respondent company subject to an export commitment, stating:

The combination of the necessary export orientation of the industry due to lack of domestic market opportunities and the explicit export condition attached to Pioneer status approval, lead us to conclude that the ''export'' side of the Pioneer Program confers an export subsidy.

The petitioners note that in the companion antidumping investigation, the Department stated that the home market for fresh Atlantic salmon is incidental to Chilean growers and that growth in the Chilean salmon industry has been almost entirely export-driven.

The GOC counters that there are statements in the same articles cited by the petitioners which indicate that the GOC took a *laissez-faire* approach to regulating Chapter XIX transactions. Concerning the July 1990 regulations, the GOC points to the transcript of a speech made in 1989 by Francisco Garcés, who at the time was the International Director of the Central Bank. In the speech, Mr. Garcé's states that the election of a new government in Chile may change the focus of the Chapter XIX program to favor export-oriented industries. The GOC notes that Mr. Garcés refers to a ''change'' in the focus, not a mere formalization of existing practice in the form of regulations. The GOC argues that the documents reviewed at verification demonstrate the opposite of what the petitioners claim, and that the documents show that the GOC did not make acceptance of proposed transactions contingent on export performance.

While the GOC does not dispute that a large number of the Chapter XIX projects involved export-oriented industries, the GOC argues that the investment projects were selected by the investors, without any guidance from the GOC. Further, the GOC notes that participants in the Pioneer Program in *Extruded Rubber Thread* made specific export commitments in order to receive benefits. According to the GOC, the Central Bank's role in reviewing proposed transactions was simply to insure that the investors were eligible and that the transactions were not fraudulent.

Finally, the GOC argues that there was no financial contribution, because the Chapter XIX projects were carried out by private individuals, with terms negotiated at arm's length.

Department's Position: We determine that the weight of the record evidence does not support a conclusion that approval of Chapter XIX proposals was contingent on export performance. The anecdotal evidence in the published articles on the record of this case is contradictory and cannot be considered conclusive. We further disagree that evidence gathered at verification indicates that export performance was a consideration in acceptance by the Central Bank of proposed transactions. Due to the proprietary nature of the verification documents, a further discussion of this issue is included in a memorandum from the team to Richard W. Moreland, Deputy Assistant Secretary for AD/CVD Enforcement, ''Analysis of Proprietary Comments Concerning Chapter XIX Debt-for-Equity Swaps,'' dated June 1, 1998.

Because we have determined any potential subsidy arising under Chapter XIX is not specific, we need not reach the question of whether there was a financial contribution on the part of the GOC.

Comment 10: The petitioners argue that Law 18,449 which provides an exemption from the Chilean stamp tax on certain financial transactions for exporters is countervailable because it is contingent upon exportation. The petitioners contend that the Chilean stamp tax exemption is not analogous to the indirect taxes ''in respect of the production and distribution of exported products'' referenced in the Illustrative List of Export Subsidies in Annex 1 of the SCM Agreement because the tax is assessed on loan documents and not the exported merchandise. The petitioners further contend that the stamp tax, as it is crafted in Chile, is not an indirect tax because it is borne by the recipient of the loan, *i.e.*, the exporter, and not borne by the merchandise. According to the petitioners, the stamp tax is not shifted forward and, therefore, behaves more like a direct than an indirect tax.

The GOC rebuts that the SCM Agreement specifically enumerates stamp taxes as an example of an indirect tax in footnote 58 to item (g) on the Illustrative List. The GOC contends that an indirect tax is almost necessarily levied on financial documents, whether the document be an invoice or a letter of credit. The GOC notes that letters of credit have been used for financing export sales for centuries, and that Chilean law requires that the financing be repaid with proceeds from export sales in order to qualify for exemption. The GOC cites *Countervailing Duties; Bicycle Tires and Tubes From Taiwan; Final Results of Administrative Review,* 48 FR 43366 (September 23, 1983) and *Final Affirmative Countervailing Duty Determination; Operators for Jalousie and Awning Windows From El Salvador,* 51 FR 41516, 41517 (November 17, 1986) as examples of previous cases where the Department has found the exemption of exporters from stamp taxes to be non-countervailable.

Department's Position: We disagree with the petitioners. First, stamp taxes are specifically enumerated in the Illustrative List as ''indirect taxes.'' Second, although the stamp tax applies to loan documents, the financing of sales through arrangements such as letters of credit is a normal activity in the distribution of exported goods. As the GOC notes, and as we confirmed at verification, Law 18,449 requires that exporters demonstrate that export financing transactions that are exempt from the stamp tax be repaid with proceeds from the financed export sales. Accordingly, we determine that the exemption of Chilean salmon exporters from the stamp tax does not give rise to countervailable benefits within the meaning of section 771(5)(E) of the Act.

Comment 11: In calculating the amount of countervailable benefits provided under the two regional programs, Law 889 and the Promotional and Development Fund, the petitioners argue that the Department should attribute the subsidies to only those products that actually benefited from the programs. The petitioners note that the Department's practice in the case of domestic subsidies is to divide the benefit by a firm's total sales of the product to which the benefit is ''tied.'' Because the benefits under both Law 889 and the Promotion and Development Fund are only available to companies located in specified regions, the petitioners argue that the subsidies are ''tied'' to the products produced in those regions.

The GOC disagrees that a ''longstanding policy'' exists with respect to tying benefits only to production in that region. The GOC asserts that the Department only ties benefits in two specific situations: (1) when the receipt of benefits is tied to sales to a particular market; or (2) when it is tied to the production of a specific good. Because neither of these situations applies to the two Chilean regional programs, the GOC contends that the subsidy rates for both programs are correctly calculated by dividing the total amount of benefits over total sales.

Department's Position: We disagree with the petitioners that our policy of tying subsidies requires us to attribute regional subsidies only to merchandise produced in the affected regions. Our tying policy, as articulated in section 355.47 of the *1989 Proposed Regulations,* discusses tying subsidies to particular products, not to products produced in particular countries or locations. In attributing a subsidy to sales of the product or products to which it is tied, the Department normally does not define the product at a level more specific than the subject merchandise. In the present case, for example, the subject merchandise is specifically defined as ''fresh Atlantic salmon from Chile,'' not ''fresh Atlantic salmon from Region X'' or ''fresh Atlantic salmon from the Island of Chiloé.'' Furthermore, the Department does not tie the benefits of federally provided regional programs to the product produced in the specified regions. *See, e.g., Final Affirmative Countervailing Duty Determination: Fresh and Chilled Atlantic Salmon From Norway,* 56 FR 7678 (February 25, 1991). Accordingly, we have continued to calculate the countervailable subsidy from these programs by dividing the total benefit from these programs by the value of all sales of producers and exporters of salmon.

Comment 12: The petitioners argue that the Department should not use the SBIF rates it used in the preliminary determination to calculate benefits from loans and nonrecurring grants. Instead, the petitioners urge the Department to use the interest rate from a private bank, Banco Security, reported in the petitioners' June 26, 1997 submission.

In the petitioners' view, the Department should not use the SBIF rate because it is based on government lending rates. They cite to *Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination: Certain Stainless Steel Wire Rod from Italy,* 63 FR 809 (January 7, 1998) where the Department stated it ''normally does not use government interest rates in benchmark calculations,'' and to section 355.44(b)(7) of the *1989 Proposed Regulations* which stipulates that the Department use a non-governmental interest rate as a benchmark rate.

The petitioners further contend that the Export Credit Limits program as well as the Chilean encaje distort the SBIF rates. The petitioners cite *Certain Iron-Metal Castings from India: Final Results of Countervailing Duty Administrative Review,* 61 FR 64687, 64688 (December 6, 1996) (''*Castings from India*'') where the Department recognized that export financing measures, similar to those in Chile, distorted the cost of financing for non-exporters. In that case, the Department used an alternative benchmark to measure the preference provided by the program.

The GOC contends that the SBIF rate is not a government rate but rather an average of Chilean commercial bank rates, where only one of the 30 to 35 banks averaged is a state-owned bank. The GOC argues that the Banco del Estado, the only state-owned bank included in the SBIF interest rate average pool, operates as a commercial bank and that the rates it charges are commercial rates. The GOC also cites to the *1989 Proposed Regulations* which state at section 355.44(b)(9) that the Department can consider loans from government-owned banks as commercial loans. The GOC insists that the Chilean lending rates are not distorted, noting that no Chilean lending program has ever been found countervailable and Chilean law prohibits the SBIF or any other body from interfering with the lending process at private banks, thus eliminating any question of manipulation of the Chilean financial markets. The GOC asserts that the SBIF rate is the appropriate rate to use in the calculations of these final results.

Department's Position: We disagree with the petitioners that the SBIF rate is not an appropriate benchmark. As stated earlier, at verification, we met with several representatives from private banks in Chile, as well as representatives from the Central Bank and from the SBIF. All of the experts with whom we met indicated that the Chilean credit markets have ample liquidity, and that Central Bank and other government intervention in financial markets is minimal. We note that virtually all governments intervene, to some degree, in financial markets. We found no evidence that government intervention in Chile's financial markets is so pervasive that it undermines our reliance on the SBIF interest rate.

With respect to the specific arguments raised by the petitioners, we agree that the Department normally does not use government rates as benchmarks (*see* section 355.44(b)(7) of the *1989 Proposed Regulations*). However, in this instance, the SBIF rate is based on the rates of more than 30 banks, only one of which is government-owned. Moreover, there is no information to indicate that this bank, Banco del Estado, operates on anything other than commercial terms. Therefore, we do not believe the SBIF rate should be rejected on this basis.

Regarding the alleged distortions in the credit market caused by the Export Credit Limits program, we disagree that this program is analogous to the situation described in *Castings from India.* While the higher re-discount ratio on export credit financing available to banks in *Castings from India* effectively reduced the cost of advancing export credit compared to domestic credit, we have found, as discussed *supra,* that any effect on lending rates from the increased export credit ceilings is minimal.

Finally, regarding the encaje, we have analyzed the potential distortion and concluded that the encaje has not resulted in lower SBIF rates. The Chilean encaje requires banks to place 30 percent of foreign currency deposits with the Central Bank without interest for the first year. (Alternatively, the bank can pay to the Central Bank the equivalent of the interest earnings that would have been realized by the Central Bank, if such an amount had been placed in its account.) Deposits that are used to finance qualifying export credits, however, are not subject to the encaje. Such a requirement would be expected to lower interest rates on export loans denominated in a foreign currency, including dollar-denominated export loans. Because it is our understanding that these export loan rates are included in the SBIF rate, along with non-export-related dollar denominated loans, use of the SBIF rate as a benchmark could understate the benefit to the recipient. However, we have reviewed interest rate information included in the Central Bank's June 1997 *Boletin Mensual* concerning dollar indexed loans with terms of three years or greater. Dollar-indexed loans in Chile are available to domestic borrowers, and would not be subject to any potential distortion resulting from the Central Bank deposit rules regarding the encaje. Additionally, although there may be slight differences in the exchange rates actually applied, a borrower in Chile should be indifferent when choosing between a dollar-indexed loan and a dollar-denominated loan. The information on the record concerning interest rates charged on dollar-indexed loans for the five years for which data was reported indicates that the rates on dollar indexed loans were very similar to the SBIF rates. On average, the interest rate charged on dollar-denominated loans was slightly higher than that charged on dollar-indexed loans. Accordingly, the information on the record does not appear to support the petitioners' claim that the encaje renders inappropriate our use of the SBIF rate as a benchmark. Therefore, we have continued to use the SBIF rate to calculate benefits for the ProChile and the fiscal credit and duty deferral program of Law 18,634.

Summary

The total net countervailable subsidy rate for all producers or exporters of fresh Atlantic salmon in Chile is 1.11 percent, *ad valorem*, which is *de minimis*. Therefore, we determine that countervailable subsidies are not being provided to producers, or exporters of fresh Atlantic salmon in Chile.

Verification

In accordance with section 782(i) of the Act, we verified the information used in making our final determination. We followed our standard verification procedures, including meeting with government officials and examination of relevant government records and original source documents. Our verification results are outlined in detail in the public versions of the verification reports, which are on file in the Central Records Unit (Room B–099 of the Main Commerce Building).

Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to Administrative Protective Order (''APO'') of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 355.34(d). Failure to comply is a violation of the APO.

This determination is published pursuant to section 703(f) of the Act.

Dated: June 1, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–15184 Filed 6–8–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Telecommunications and Information Administration

Reviewer Information Form

ACTION: Proposed collection; comment request.

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

DATES: Written comments must be submitted on or before August 10, 1998.

ADDRESSES: Direct all written comments to Linda Engelmeier, Departmental Forms Clearance Officer, Department of Commerce, Room 5327, 1401 Constitution Avenue NW., Washington, DC 20230.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument and instructions should be directed to Gay Shrum, NTIA—Room 4892, 1401 Constitution Avenue NW., Washington, DC 20230. (202–482–1056).

SUPPLEMENTARY INFORMATION:

I. Abstract

The purpose of the Telecommunications and Information Infrastructure Assistance Program (TIIAP) is to promote the widespread and efficient use of advanced telecommunications services in the public and non-profit sectors to serve America's communities. It does this by providing matching funds to public and non-profit sector organizations to use information infrastructure to provide community-wide information, health, life-long learning, public safety and other public services.

As part of the TIIAP's process to select projects for funding, external experts are used to review applications. Collection of information about potential reviewers is used to determine their eligibility and availability and to facilitate payment for services rendered if they are selected to review.

II. Method of Collection

The reporting requirements associated with this request have been updated annually during the four year history of the TIIAP program. The collection continues to be by mail with some supplementary information received via facsimile.

III. Data

OMB Number: 0660–0018.

Form Number: N/A.

Type of Review: Regular Submission—Reinstatement.

Affected Public: Experts from state and local government, non-profit institutions, and the private sector.

Estimated Number of Respondents: 130.

Estimated Time Per Response: .1 hour each.

Estimated Total Annual Burden Hours: 13 hours.

Estimated Total Annual Cost: Cost to respondents is consistent with their normal administrative overhead. No material or equipment will need to be purchased to provide information.

IV. Request for Comments

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

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

Dated: June 3, 1998.

Linda Engelmeier,

Departmental Forms Clearance Officer, Office of Management and Organization.

[FR Doc. 98–15297 Filed 6–8–98; 8:45 am]

BILLING CODE 3510–60–P

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Announcement of Public Comment Period on the Elimination of the Paper Visa Requirement for Taiwan

June 3, 1998.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Seeking public comments on the elimination of the paper visa requirement for Taiwan.

FOR FURTHER INFORMATION CONTACT: Lori Mennitt, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482–3821.

SUPPLEMENTARY INFORMATION:

Authority: Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 11651 of March 3, 1972, as amended.

The Electronic Visa Information System (ELVIS) allows foreign governments to electronically transfer shipment information to the U.S. Customs Service on textile and apparel shipments subject to bilateral provisions. On November 9, 1995, a notice was published in the **Federal Register** (60 FR 56576) seeking public comments on the implementation of ELVIS. Subsequently, a document published on October 31, 1997 (62 FR