

17. European Regional Development Fund Aid
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Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to this administrative review. For the period January 1, 1996 through December 31, 1996, we preliminarily determine the net subsidy for Fabfer to be 0.43 through December 31, 1996, we preliminarily determine the net subsidy for Fabfer to be 0.37 percent *ad valorem*. As provided for in the Act, any rate less than 0.5 percent *ad valorem* in an administrative review is *de minimis*. Accordingly, pursuant to 19 CFR 351.106(c)(2), 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, shipments of the subject merchandise from Fabfer exported on or after January 1, 1996 and on or before December 31, 1996. Also, the cash deposits required for Fabfer will be zero.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. See 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was not requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. See *Federal-Mogul Corporation and The Torrington Company v. United States*, 822 F.Supp. 782 (CIT 1993) and *Floral Trade Council v. United States*, 822 F.Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR 355.22(g)). Therefore, the cash deposit rates for all companies except those covered by this

review will be unchanged by the results of this review.

We will instruct Customs to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order will be the rate established for these companies in the most recently completed administrative proceeding conducted under the URAA. If such a review has not been conducted, the rate established in the most recently completed administrative proceeding pursuant to the statutory provisions that were in effect prior to the URAA amendments is applicable. See *Final Determination*. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1996 through December 31, 1996, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issues, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs, that is, thirty-seven days after the date of publication of these preliminary results.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later

than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR § 351.309(c)(ii), are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

This administrative review and notice are issued and published in accordance with section 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677f(i)).

Dated: August 31, 1998.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-24172 Filed 9-8-98; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-560-804]

Preliminary Negative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination: Extruded Rubber Thread From Indonesia

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

EFFECTIVE DATE: September 9, 1998.

FOR FURTHER INFORMATION CONTACT: Stephanie Moore or Eric B. Greynolds, Office of CVD/AD Enforcement VI, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482-2786.

Preliminary Determination

The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are not being provided to producers or exporters of extruded rubber thread from Indonesia.

Petitioner

The petition in this investigation was filed by North American Rubber Thread Co., Ltd. (the petitioner).

Case History

Since the publication of the notice of initiation in the **Federal Register**, the following events have occurred. See *Notice of Initiation of Antidumping and Countervailing Duty Investigations: Extruded Rubber Thread from*

Indonesia, 63 FR 23267 (April 28, 1998) (*Initiation Notice*). On May 4, 1998, we issued countervailing duty questionnaires to the Government of Indonesia (GOI), and the producers/exporters of the subject merchandise. On June 10, 1998, at the request of the petitioner, we postponed the preliminary determination of this investigation until August 28, 1998 (63 FR 31737).

We received responses to our initial questionnaire from the GOI, Bakrie Rubber Industry (Bakrie), P.T. Swasthi Parama Mulya (Swasthi), and P.T. Perkebunan III (Pesero) on June 26 and 29, 1998. The information provided indicates that Pesero did not export to the United States during 1997, and that P.T. Cilatexindo Graha Alam Pt., an exporter named in the petition, stopped producing rubber thread in January 1994. A query of the U.S. Customs databases confirmed that these two companies did not export subject merchandise to the United States during 1997, the period of investigation. Therefore, we are not requesting further information from these two companies. On July 17, 1998, we issued supplemental questionnaires to the GOI, Bakrie and Swasthi. We received responses to these supplemental questionnaires on July 27, 1998.

Scope of Investigation

For purposes of this investigation, the product covered is extruded rubber thread (ERT) from Indonesia. ERT is defined as vulcanized rubber thread obtained by extrusion of stable or concentrated natural rubber latex of any cross sectional shape, measuring from 0.18 mm, which is 0.007 inches or 140 gauge, to 1.42 mm, which is 0.056 inch or 18 gauge, in diameter.

ERT is currently classified under subheadings 4007.00.00 of the *Harmonized Tariff Schedule* (HTS). Although the HTS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 (the Act). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations as codified at 19 CFR 351 and published in the **Federal Register** on May 19, 1997 (62 FR 27295).

Injury Test

Because Indonesia is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, the International Trade Commission (ITC) is required to determine whether imports of the subject merchandise from Indonesia materially injure, or threaten material injury to, a U.S. industry. On May 28, 1998, the ITC published its preliminary determination that there is a reasonable indication that an industry in the United States is being materially injured, or threatened with material injury, by reason of imports from Indonesia of the subject merchandise (63 FR 29250).

Alignment With Final Antidumping Duty Determination

On August 18, 1998, the petitioner submitted a letter requesting alignment of the final determination in this investigation with the final determination in the companion antidumping duty investigation. In accordance with section 705(a)(1) of the Act, we are aligning the final determination in this investigation with the final antidumping duty determination in the antidumping investigation of ERT. *See Initiation of Antidumping and Countervailing Duty Investigations: Extruded Rubber Thread From Indonesia*, 63 FR 23267 (April 28, 1998).

Period of Investigation

The period for which we are measuring subsidies (the POI) is calendar year 1997.

Company Histories

The GOI identified two producers of subject merchandise that exported the subject merchandise to the United States during the POI:

Bakrie

Bakrie was established on January 14, 1992, by the PT. Bakrie Nusantara Corporation and Globe Manufacturing Company, a U.S. producer of rubber thread, as a joint venture company. PT. Bakrie Nusantara Corporation was officially renamed PT. Bakrie Capitanindo Corporation on March 15, 1995. Bakrie manufactures and exports medium and heavy gauge rubber thread, coated with silicone emulsion which serves as a lubricant.

Swasthi

Swasthi was established in November 1989. The company produces and exports ERT of various gauges of talc finish, various colors, and special qualities.

De Minimis Standard Under Section 771(36) of the Statute

Pursuant to its authority under section 771(36) of the Act, the United States Trade Representative (USTR) has designated Indonesia as a "least-developed country" for purposes of the CVD law. *See USTR Interim Final Rule: Developing and Least-Developed Country Designations Under the Countervailing Duty Law* (15 CFR 2013) (63 FR 29945, June 2, 1998). Consequently, a net countervailable subsidy rate that does not exceed three 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 preliminarily determine that the net countervailable subsidy bestowed on ERT from Indonesia is less than three percent *ad valorem*, and is, therefore, *de minimis*.

I. Program Preliminarily Determined To Be Countervailable Bank Indonesia (BI) Rediscount Loans

Under Decree No. 132/MPP/Kep/1996 of June 4, 1996, the Ministry of Industry and Trade, the Ministry of Finance, and the Bank of Indonesia (BI) provide support for certain exporters with the goal of achieving diversification of the Indonesian export base from oil and gas. Companies designated as Perusahaan Eksportir Tertentu (PET) are eligible to participate in this program. Under the program, PETs sell their letters of credit and export drafts at a discount to the BI through participating foreign exchange banks, which are commercial banks that have obtained a license to conduct activities in foreign currencies. The sale of the letters of credit and export drafts by the PETs provides them with working capital at lower interest rates than they would otherwise pay on short-term commercial loans.

We preliminarily determine that the loans provided under this program are countervailable in accordance with section 771(5)(A) of the Act. Through this program, the BI provides working capital to PETs at interest rates which are more favorable than those provided to non-PETs. The benefit is the difference between the amount the borrower of the loan pays on the loan and the amount the borrower would pay on a comparable commercial loan. Finally, because the program is contingent upon export performance, it is an export subsidy under section 771(5A)(B) and is, therefore, specific.

Only one exporter, Swasthi, used the BI rediscount loan program during the

POI. According to the GOI's June 29, 1998 questionnaire response at page 4, the interest rates in effect during the POI were the Singapore Interbank Offering Rate (SIBOR) for PETs, and SIBOR plus 1 percent for non-PETs. Therefore, to calculate the benefit for Swasthi, we compared the interest rates Swasthi paid on loans for shipments to the United States to the interest rates that non-PET companies would have had to pay for comparable commercial loans. This difference was divided by Swasthi's total exports of subject merchandise to the United States during the POI. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.13 percent *ad valorem* for Swasthi.

II. Programs Preliminarily Determined To Be Not Used

Based on information provided in the questionnaire responses, we preliminarily determine that the producers/exporters of subject merchandise did not apply for or receive benefits under the following programs during the POI.

- A. Investment Credit for the Expansion of the Rubber Industry
- B. Corporate Income Tax Holiday
- C. Import Duty Exemption of Capital Equipment

Summary

The total preliminary net countervailable subsidy for Swasthi is 0.13 percent, which is *de minimis*. The rate for Bakrie is zero. Therefore, we preliminarily determine that countervailable subsidies are not being provided to producers or exporters of ERT from Indonesia.

Verification

In accordance with section 782(i) of the Act, we will verify the information submitted by respondents prior to making our final determination.

ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary, Import Administration.

In accordance with section 705(b)(3) of the Act, if our final determination is

affirmative, the ITC will make its final determination within 75 days after the Department makes its final determination.

Public Comment

In accordance with 19 CFR 351.310, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on this preliminary determination. Individuals who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099, 14th Street and Constitution Avenue, N.W., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Requests for a public hearing should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and, (3) to the extent practicable, an identification of the arguments to be raised at the hearing. In addition, six copies of the business proprietary version and six copies of the nonproprietary version of the case briefs must be submitted to the Assistant Secretary no later than 50 days from the date of publication of the preliminary determination. As part of the case brief, parties are encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Six copies of the business proprietary version and six copies of the nonproprietary version of the rebuttal briefs must be submitted to the Assistant Secretary no later than 55 days from the date of publication of the preliminary determination. An interested party may make an affirmative presentation only on arguments included in that party's case or rebuttal briefs. Written arguments should be submitted in accordance with 19 CFR 351.309 and will be considered if received within the time limits specified above.

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

Dated: August 28, 1998.

Joseph A. Spetrini

Acting Assistant Secretary for Import Administration.

[FR Doc. 98-24171 Filed 9-8-98; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-508-605]

Industrial Phosphoric Acid From Israel: Preliminary Results and Partial Recission 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 industrial phosphoric acid from Israel for the period January 1, 1996 through December 31, 1996. For information on the net subsidy for each reviewed company, as well as for all non-reviewed companies, please see the *Preliminary Results of Review* section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Review*. Interested parties are invited to comment on these preliminary results. See *Public Comment* section of this notice.

EFFECTIVE DATE: September 9, 1998.

FOR FURTHER INFORMATION CONTACT: Stephanie Moore or Eric Greynolds, 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) 482-3692 or (202) 482-6071, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 19, 1987, the Department published in the **Federal Register** (52 FR 31057) the countervailing duty order on industrial phosphoric acid from Israel. 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 a timely request for review, and we initiated the review, covering the period January 1, 1996 through December 31, 1996, on September 25, 1997 (62 FR 50292).

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters of the