

entered Customs values for the subject merchandise on each entry of that importer under the relevant order during the review period.

Cash Deposit Requirements

The following deposit requirements will be effective upon publication of this notice of final results of administrative review for all shipments of sulfanilic acid from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(c) of the Act: the cash deposit rate for all PRC exporters and non-PRC exporters of subject merchandise from the PRC will be 85.20 percent (*i.e.*, the PRC country-wide rate). These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

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

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

Dated: March 13, 2001.

Timothy J. Hauser,
Acting Under Secretary for International Trade.

Appendix I: Issues Discussed in Decision Memorandum

(See web address <http://ia.ita.doc.gov/frn/frnhome.htm>)

Comments and Responses

1. Facts Available
2. Use of Factual Information from the U.S. Customs Service
3. Verification Outline and Procedure
4. Verification Report/Alleged Untrue

- Statements
5. Verification Report/Use of the Term "Unreported" Sales
6. Verification Report/Inability to Reconcile Sales
7. Verification Report/Issuing of Verification Report
8. Verification Comments are Untimely Factual Information
9. Knowledge Test
10. Collapsing
11. Surrogate Values

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-508-605]

Industrial Phosphoric Acid From Israel: Final Results of Countervailing Duty Administrative Review

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

ACTION: Notice of final results of countervailing duty administrative review.

SUMMARY: On September 6, 2000, the Department of Commerce (the Department) published the preliminary results of its administrative review of the countervailing duty order on industrial phosphoric acid (IPA) from Israel. The review covers the period January 1, 1998 to December 31, 1998.

Based on our analysis of the comments received, and the decision of the Court of Appeals for the Federal Circuit in *Delverde S.r.L. v. United States*, 202 F.3d 1360 (Fed. Cir. 2000) (*Delverde III*), the Department has reexamined its change in ownership analysis and methodology. As a result, we have made changes to the net subsidy rate. Therefore, the final results differ from the preliminary results. The final net subsidy rate for the reviewed company is listed below in the section entitled "Final Results of Review."

EFFECTIVE DATE: March 21, 2001.

FOR FURTHER INFORMATION CONTACT: Sean Carey or Samantha Denenberg, Office of AD/CVD Enforcement VII, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-3964 or (202) 482-1386, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to

the provisions of the Tariff Act of 1930 (the Act), as amended by the Uruguay Round Agreements Act (URAA) effective January 1, 1995. In addition, unless otherwise indicated, all citations to the Department's regulations are codified at 19 CFR part 351 (2000).

Background

On September 6, 2000, the Department published the preliminary results of the administrative review of the countervailing duty order on industrial phosphoric acid. See *Industrial Phosphoric Acid from Israel; Preliminary Results and Final Partial Rescission of Countervailing Duty Administrative Review*, 65 FR 53984 (September 6, 2000). This review covered two manufacturers/exporters, Rotem Amfert Negev Ltd. (Rotem) and Haifa Chemicals Ltd. (Haifa). Haifa did not export the subject merchandise during the POR. Therefore, we rescinded the review with respect to Haifa in the preliminary results. The review covers the period January 1, 1998 through December 31, 1998, and nine programs.

On September 12, 2000, Rotem submitted corrections to its sales values as a result of errors found at verification. The Department issued its reports on the verification of Rotem's and the GOI's questionnaire responses on December 14, 2000. The public version of these reports are on file in the Central Records Unit (CRU), room B-099 of the Main Commerce Building.

On October 4, 2000, the Department invited interested parties to provide comments on the implications for this administrative review, if any, of the *Delverde III* decision, but to exclude from their case briefs any specific comments pertaining to the privatization of Israel Chemicals Ltd. (ICL) until the Department issued its preliminary decision memo on ICL's privatization (the parent company of Rotem). Rotem and the Government of Israel (GOI) provided comments on the Department's change-in-ownership methodology on October 24, 2000. As a result of the Department's review of our change-in-ownership methodology, the Department extended the time limit for the final results in order to make additional inquiries concerning the privatization of ICL. See *Industrial Phosphoric Acid from Israel; Notice of Extension of Time Limit for Countervailing Duty Administrative Review*, 65 FR 68126 (November 14, 2000). The Department issued its interpretation of *Delverde III* and revised its change in ownership approach on December 19, 2000, in the Final Results of Redetermination

Pursuant to Court Remand, *Acciai Speciali Terni S.p.A. v. United States (Final Redetermination)*.

On December 22, 2000, the Department issued a change-in-ownership questionnaire to Rotem and the GOI, and received responses on January 18, 2001. On February 9, 2001, the Department issued its "Change-in-Ownership Analysis Memorandum" (CIO Memorandum) on ICL's privatization. Rotem and the GOI submitted comments on the Department's CIO Memorandum on February 14, 2001. Rotem and the GOI filed their case brief on January 5, 2001, commenting on the preliminary results in this administrative review but excluding any comments concerning ICL's privatization. Petitioners have not provided any comments in this administrative review.

Scope of the Countervailing Duty Order

Imports covered by this review are shipments of industrial phosphoric acid (IPA) from Israel. Such merchandise is classifiable under item number 2809.20.00 of the Harmonized Tariff Schedule (HTS). The HTS item number is provided for convenience and U.S. Customs Service purposes. The written description of the scope remains dispositive.

Analysis of Comment Received

All issues raised in the case and rebuttal briefs, including those in comments on the Department's Change-in-Ownership Memorandum, and submitted by parties to this administrative review, are addressed in the "Issues and Decision Memorandum" (Decision Memorandum) from Joseph A. Spetrini, Deputy Assistant Secretary, Group III, Import Administration, to Bernard T. Carreau, fulfilling the duties of Assistant Secretary for Import Administration, dated concurrent with this notice, which is hereby adopted by this notice. A list of issues which parties have raised and to which we have responded, all of which are in the Decision Memorandum, is attached to this notice as Appendix I. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the CRU. In addition, a complete version of the Decision Memorandum can be accessed directly on the internet at http://ita.doc.gov/import_admin/records/frn, under the heading "Israel."

Changes Since the Preliminary Results

Based on our analysis of comments received, and the Department's revised change in ownership approach that is based on the Court's ruling in *Delverde III*, we have made certain changes to the net subsidy rate. These changes are discussed in the relevant sections of the Decision Memorandum.

Final Results of Review

In accordance with 19 CFR 351.212 (b), we calculated an individual net subsidy rate for the producer/exporter subject to this review. For the period January 1, 1998 through December 31, 1998, we determine the net subsidy for Rotem to be 4.98 percent *ad valorem*. We will instruct the U.S. Customs (Customs) to assess countervailing duties as indicated above on all appropriate entries. 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. Thus, for the period covered by this review, January 1, 1998, through December 31, 1998, 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.

As a result of the International Trade Commission's determination that revocation of this countervailing duty order would not likely lead to continuation or recurrence of material injury to an industry in the United States in the reasonably foreseeable future, the Department, pursuant to section 751(d)(2) of the Act, revoked the countervailing duty order on IPA from Israel. See *Revocation of Countervailing Duty Order: Industrial Phosphoric Acid from Israel*, 65 FR 114 (June 13, 2000). Pursuant to section 751(c)(6)(A)(iv) of the Act and 19 CFR 351.222(i)(2)(ii), the effective date of revocation was January 1, 2000. Accordingly, the Department has instructed Customs to discontinue suspension of liquidation and collection of cash deposits on entries of the subject merchandise entered or withdrawn from warehouse on or after January 1, 2000.

The Department, however, will conduct administrative reviews of subject merchandise entered prior to the effective date of revocation in response to appropriately filed requests for review.

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

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

Dated: March 5, 2001.

Timothy J. Hauser,

Acting Under Secretary for International Trade.

Appendix I: Issues Discussed in Decision Memorandum

http://ita.doc.gov/import_admin/records/frn, under the heading "Israel."

- I. Background Information
 - Change in Ownership
- II. Subsidies Valuation Information
 - Grant Benefit Calculation
- III. Analysis of Programs
 - A. Programs Conferring Subsidies
 1. Encouragement of Industrial Research and Development Grants (EIRD)
 2. Encouragement of Capital Investment Law (ECIL)
 3. Infrastructure Grant
 - B. Programs Determined to be Not Used
 1. Environmental Grant Program
 2. Reduced Tax Rates under ECIL
 3. ECIL Section 24 Loans
 4. Dividends and Interest Tax Benefits under Section 46 of the ECIL
 5. ECIL Preferential Accelerated Depreciation
- IV. Analysis of Comments in Case Brief
 - Comment 1: Allocation of Disbursements made in the POR for Previously Approved and Allocated Non-Recurring Grants
 - Comment 2: Infrastructure Grants Net of Value Added Tax (VAT)
- V. Analysis of Comments on Department's Change in Ownership Memorandum
 - Comment 3: Delverde III Implications on Change in Ownership
 - Comment 4: The Department's New Change in Ownership Approach

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