

institutional guarantor, not as a lender itself, providing guarantees only when the security offered by the farmer is inadequate for the total loan amount. A loan application may be made to the Fund only after all of the farmer's own securities or collateral have been provided for the loan. If an application is approved under the Fund, the guarantee applies only to the portion of the loan not originally approved by the bank. This program was originally found countervailable in the *Netherlands Flowers*.

In the 1990 administrative review, we found that the average long-term annual interest rates charged on loans under this Fund were consistent with the average interest rates charged on long-term bank loans, as reported by De Nederlandsche Bank. (*See 1990 Preliminary and Final Results*).

Based on verification of the 1992 review and on our analysis of information provided in the 1993 review, we again determine that the average long-term annual interest rates charged on loans under this Fund were consistent with the average interest rates charged on long-term bank loans. On this basis, we determine that this program does not provide a countervailable benefit. Because this program has not been terminated, we will continue to review it in subsequent administrative reviews.

III. Programs Preliminarily Found Not to be Used

We determine that the producers or exporters of the subject merchandise did not apply for or receive countervailable benefits under these programs during these review periods:

- A. Investment Incentive (WIR)—Regional Program.
- B. Loans at preferential interest rates.

Preliminary Results of Reviews

For the period January 1, 1992, through December 31, 1992, we preliminarily determine the total net subsidy to be 0.43 percent *ad valorem*. For the period January 1, 1993 through December 31, 1993, we preliminarily determine the net subsidy to be 0.80 percent *ad valorem*.

If the final results of these reviews remain the same as these preliminary results, the Department intends to instruct the Customs Service to assess countervailing duties of 0.43 percent of the f.o.b. invoice price on shipments of the subject merchandise exported on or after January 1, 1992, and on or before December 31, 1992, and 0.80 for all shipments of the subject merchandise exported on or after January 1, 1993, and on or before December 31, 1993.

The Department also intends to instruct Customs to collect cash deposits of estimated countervailing duties, as provided for by section 751(a)(1) of the Act, of 0.80 percent of the f.o.b. invoice price on all shipments of the subject merchandise from the Netherlands entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these administrative reviews.

Parties to the proceeding may request disclosure of the calculation methodology and interested parties may request a hearing not later than 10 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted 7 days after the time limit for filing the case brief. Parties who submit written arguments in these proceedings are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. Written arguments that are intended to comment on the preliminary results for both the 1992 and 1993 reviews must be submitted to the file for each proceeding. Any hearing, if requested, will be held 7 days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 355.38(e).

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 355.38(c), are due. The Department will publish the final results of these administrative reviews including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

These administrative reviews and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 355.22.

Dated: April 29, 1996.

Susan G. Esserman,
Assistant Secretary for Import
Administration.

[FR Doc. 96-11242 Filed 5-3-96; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration [C-421-601]

Standard Chrysanthemums From the Netherlands; Preliminary Results of Countervailing Duty Administrative Review

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

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

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on standard chrysanthemums from the Netherlands. We preliminarily determine the net subsidy to be *de minimis* for all exports of the subject merchandise to the United States for the period January 1, 1994, through December 31, 1994. If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service to liquidate, without regard to countervailing duties, all shipments of the subject merchandise from the Netherlands exported on or after January 1, 1994, and on or before December 31, 1994. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: May 6, 1996.

FOR FURTHER INFORMATION CONTACT: Lorenza Olivas or Richard Herring, Office of Countervailing Compliance, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, telephone: (202) 482-2786.

SUPPLEMENTARY INFORMATION:

Background

On March 12, 1987, the Department published in the Federal Register (52 FR 7646) the countervailing duty order on standard chrysanthemums from the Netherlands. On March 7, 1995, the Department published a notice of "Opportunity to Request Administrative Review" (60 FR 12540) of this countervailing duty order. We received a timely request for review from petitioner, Floral Trade Council, and we initiated the review, covering the period January 1, 1994, through December 31, 1994, on April 14, 1995 (60 FR 19018). On November 2, 1995, we fully extended the period for completion of the preliminary and final results,

pursuant to section 751(a)(3) of the Tariff Act of 1930, as amended (see *Extension of the Time Limit for Certain Countervailing Duty Administrative Reviews* (60 FR 55699)). As explained in the memoranda from the Assistant Secretary for Import Administration dated November 22, 1995, and January 11, 1996, all deadlines were further extended to take into account the partial shutdowns of the Federal Government from November 15 through November 21, 1995, and December 15, 1995, through January 6, 1996. Therefore, the deadline for these preliminary results is no later than April 30, 1996, and the deadline for the final results of this review is no later than 180 days from the date on which these preliminary results are published. This review is being conducted on an aggregate basis. See *Preliminary Results of Review* section of this notice.

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA), effective January 1, 1995 (the Act). The Department is conducting this administrative review in accordance with section 751(a) of the Act. References to the *Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comments* (54 FR 23366; May 31, 1989) (*Proposed Regulations*) are provided solely for further explanation of the Department's countervailing duty practice. Although the Department has withdrawn the particular rulemaking proceeding pursuant to which the *Proposed Regulations* were issued, the subject matter of these regulations is being considered in connection with an ongoing rulemaking proceeding which, among other things, is intended to conform the Department's regulations to the URAA. See 60 FR 80 (January 3, 1995).

Scope of Review

Imports covered by this review are shipments of Dutch standard chrysanthemums. Such merchandise is classifiable under item number 0603.10.70 of the Harmonized Tariff Schedule (HTS). The HTS item number is provided for convenience and Customs purposes. The written description remains dispositive.

Subsidy Calculations for Assessment and Cash Deposit Purposes

Because this review is being conducted on an aggregate basis, we calculated the net subsidy on a country-

wide basis by first calculating the subsidy rate for each program. We then summed the subsidy rates from all programs benefitting exports of the subject merchandise to the United States. The rate will be applied to all exports of the subject merchandise as discussed in the *Preliminary Results of Review* section of this notice.

Analysis of Programs

I. Programs Conferring Subsidies

Programs Previously Determined To Confer Subsidies

1. Aids for the Creation of Cooperative Organizations

Under European Community (EC) Regulation 355/77, the EC has provided grants to Dutch auction houses, which are flower grower cooperatives. These funds were provided by the EC through the Agricultural Guidance and Guarantee Fund, with matching grant contributions from EC member states. The purpose of the program was to improve the processing, marketing and distribution of agricultural products in member states. This program was terminated on January 1, 1986, and no grants were disbursed after 1987.

In the 1986 and 1987 reviews, the Department determined that this grant program was countervailable because it was limited to a specific enterprise or industry, or group of enterprises or industries, in the Netherlands. (See *Standard Chrysanthemums From the Netherlands; Preliminary Results of Countervailing Duty Administrative Review* (54 FR 43977, 43978; October 30, 1989) and *Standard Chrysanthemums From the Netherlands; Final Results of Countervailing Duty Administrative Review* (55 FR 462; January 5, 1990) (*1987 Preliminary and Final Results*)). We have received no new information or evidence of changed circumstances to warrant reconsideration of this finding. Although this program was officially terminated in 1986, under our grant methodology, benefits are still accruing from this program.

To calculate the benefit, we used a declining balance grant methodology, as determined in *Final Affirmative Countervailing Duty Determination; Certain Fresh Cut Flowers From the Netherlands* (52 FR 3301; February 3, 1987) (*Netherlands Flowers*). We allocated the benefits from each grant over 10 years, the average useful life of renewable physical assets in the agricultural sector as determined under the U.S. Internal Revenue Service's Asset Depreciation Range System. This methodology is in accordance with the

Proposed Regulations (51 FR at 23385). We used the average interest rate for long-term commercial loans published by the Netherlands Bank (the Central Bank) as the discount rate for each year in which grants were provided. We divided the sum of these benefits by the f.o.b. value of total auction sales in the relevant review period. On this basis, we preliminarily determine the net subsidy to be 0.03 percent *ad valorem* for the period January 1, 1994, through December 31, 1994.

2. Glasshouse Enterprises Program

Under the Glasshouse Enterprises Program, the Ministry of Agriculture, Nature Management and Fisheries (MAF) provided grants to greenhouse growers to stimulate private investment in energy saving methods in the horticulture industry. This program was terminated in June 1985. However, grants approved prior to the termination were disbursed through 1987.

Because this program was available only to greenhouse growers, we previously determined that this program was limited to a specific enterprise or industry, or group of enterprises or industries, and provided a countervailable domestic subsidy. (See *1987 Preliminary and Final Results*). We have received no new information or evidence of changed circumstances to warrant reconsideration of this finding. Although this program officially was terminated in 1985, under our grant methodology, benefits are still accruing from this program.

To calculate the benefit from this program, we used the grant methodology described in section 1. above. We divided the total benefits from these grants by the value of total greenhouse sales in the relevant review period. On this basis, we preliminarily determine the net subsidy to be 0.05 percent *ad valorem* for the period January 1, 1994, through December 31, 1994.

3. Aids for the Reduction of Glass Surface

Under the Aids for the Reduction of Glass Surface program, the MAF provided grants to greenhouse growers for the purpose of increasing the energy efficiency of greenhouses by replacing existing glass with modern energy-saving glass. The program was terminated in November 1984. However, grants approved prior to the termination of the program were disbursed through 1987.

We previously determined that this program was countervailable because it was limited to a specific enterprise or industry, or group of enterprises or

industries. (See 1987 Preliminary and Final Results). We have received no new information or evidence of changed circumstances to warrant reconsideration of this finding. Although this program was officially terminated in 1984, under our grant methodology, benefits are still accruing under this program.

To calculate the benefit from this program, we used the grant methodology described in section 1. above. We divided the total benefits from these grants by the value of total greenhouse sales in the relevant review period. On this basis, we preliminarily determine the net subsidy to be less than 0.005 percent *ad valorem* for the period January 1, 1994, through December 31, 1994.

4. Steam Drainage Systems

In January 1981, the Government of the Netherlands (GON) banned the use of methylbromide as a means of soil disinfection due to the potential health hazards caused by the chemical. In December of that year, the MAF established a program making available cash grants to encourage the use of steam drainage as an alternative method of soil disinfection for greenhouses. The program was terminated in September 1984. However, some grants were disbursed through 1987.

In the 1990 administrative review of this case, we determined that this program was countervailable because it was limited to a specific enterprise or industry, or group of enterprises or industries. See *Standard Chrysanthemums From the Netherlands; Preliminary Results of Countervailing Duty Administrative Review* (57 FR 9539; March 19, 1992) and *Standard Chrysanthemums From the Netherlands; Final Results of Countervailing Duty Administrative Review* (57 FR 24249; June 8, 1992) (1990 Preliminary and Final Results). We have received no new information or evidence of changed circumstances to warrant reconsideration of this finding. Although this program was officially terminated in 1984, under our grant methodology, benefits are still accruing under this program.

To calculate the benefit from this program, we used the grant methodology described in section 1. above. We divided the benefits from these grants by the value of total greenhouse sales in the relevant review period. On this basis, we preliminarily determine the net subsidy to be less than 0.005 percent *ad valorem* for the period January 1, 1994, through December 31, 1994.

5. Stimulation for the Innovation of Electric Energy (SES)

The SES program was implemented in 1988 to stimulate energy conservation. Under the administration of the Ministry of Economic Affairs (MEA), the program is designed to encourage the installation of cogeneration equipment by providing payments of up to 25 percent of the equipment cost, with a cap of 20 million guilders per project. Cogeneration equipment reduces energy consumption by up to 30 percent.

The Department preliminarily determined that this program is countervailable in *Standard Chrysanthemums From the Netherlands; Preliminary Results of Administrative Review* for the 1992 and 1993 periods (1992/93 Preliminary Results), being simultaneously published with this notice, because horticulture received a disproportionate share of benefits under this program.

Our policy with respect to grants is (1) to expense recurring grants in the year of receipt and (2) to allocate non-recurring grants over the average useful life of assets in the industry, unless the sum of grants provided under a particular program is less than 0.50 percent of a firm's total or export sales (depending on whether the program is a domestic or export subsidy) in the year in which the grants were received. See section 355.49(a) of the *Proposed Regulations* and the *General Issues Appendix*, at 37226, which is attached to *Final Affirmative Countervailing Duty Determination: Certain Steel Products from Austria* (58 FR 37217; July 9, 1993) (*General Issues Appendix*).

In the 1992 review, we determined that SES grants were nonrecurring. For the 1992 administrative review, we found that the amount of grants received under this program was not less than 0.50 percent of greenhouse sales. Following our grant methodology, we allocated the grants over the average useful life of assets in the industry. See 1992/93 Preliminary Results. As a result, residual benefits from the program are allocable to 1994. Greenhouse growers also received SES grants in 1994. We determine that the total amount of SES grants received was less than 0.50 percent of greenhouse sales in 1994. Therefore, following our grant methodology, the total value of all grants provided under this program in 1994 has been allocated to that year.

To calculate the benefit for 1994, we added the benefit from the 1992 grants that were allocable to 1994 and the total value of grants provided in 1994. We then divided the results by the value of greenhouse sales in 1994. On this basis,

we preliminarily determine the net subsidy to be 0.35 percent *ad valorem* for the period January 1, 1994, through December 31, 1994.

II. Programs Preliminarily Determined Not to Confer Subsidies

Guarantee Fund for Agriculture

The Stichting Borgstellingsfonds voor de Landbouw (Foundation Security Fund for Agriculture, or "Fund") is used to guarantee the servicing and repayment of loans made by banks to farmers. The Fund acts as an institutional guarantor, not as a lender itself, providing guarantees only when the security offered by the farmer is inadequate for the total loan amount. A loan application may be made to the Fund only after all of the farmer's own securities or collateral have been provided for the loan. If an application is approved under the Fund, the guarantee applies only to the portion of the loan not originally approved by the bank. This program was originally found countervailable in *Netherlands Flowers* because it was administered in such a way as to confer a benefit on a specific group of industries (*i.e.*, horticulture).

In reviews subsequent to *Netherlands Flowers*, we found that the average long-term annual interest rates charged on loans under this Fund were consistent with the average interest rates charged on long-term bank loans, as reported by De Nederlandsche Bank. See 1990 Preliminary and Final Results and 1992/93 Preliminary Results.

Based on our analysis of information provided in the 1994 review, we again determine that the average long-term annual interest rates charged on loans under this Fund were consistent with the average interest rates charged on long-term bank loans. On this basis, we determine that this program does not provide a countervailable benefit. Because this program has not been terminated, we will continue to review it in subsequent administrative reviews to determine whether the interest rates on these loans are consistent with the interest rates on comparable commercial loans.

III. Programs Preliminarily Found Not to be Countervailable

We examined the following programs during the 1992 review (See 1992/93 Preliminary Results) and determined these programs not to be countervailable:

- A. Arrangement for Stimulation of Innovation Projects
- B. Arrangement for Structural Improvement and the Complementary

- Scheme for Investment in Agricultural Holdings
- C. Natural Gas Provided at Preferential Rates
- D. Income Tax Deduction
- E. Value-Added Tax (VAT) Reduction of 6 Percent for Natural Gas Users and Partial Restitution of VAT for Mineral Oils, Fuels, Bulk or Bottled Gas.

IV. Programs Preliminarily Determined To Be Not Used

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

- A. Investment Incentive (WIR)—Regional Program
- B. Loans at preferential interest rates.

Preliminary Results of Review

For the period January 1, 1994, through December 31, 1994, we preliminarily determine the net subsidies to be 0.43 percent *ad valorem*. In accordance with the Act, any rate less than 0.5 percent *ad valorem* in an administrative review is *de minimis*.

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 countervailing duty cases are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. In the original investigation of this order, it was determined that there were

over 8,000 flower growers in the Netherlands. Therefore, we requested that the GON provide information on an aggregate basis. See *Netherlands Flowers*. Consistent with the decision made in the investigation, administrative reviews of this order have been conducted on an aggregate basis. In accordance with section 777A(e)(2)(B) of the Act, we have also conducted this administrative review on an aggregate basis because of the large number of producers and exporters, and on the basis of the aggregate information submitted by the GON, we have determined a single country-wide subsidy rate to be applied to all producers and exporters of the subject merchandise.

If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service to liquidate, without regard to countervailing duties, all shipments of the subject merchandise from the Netherlands exported on or after January 1, 1994, and on or before December 31, 1994. Because we preliminarily determine that all net subsidies are *de minimis* for the period January 1, 1994, through December 31, 1994, no cash deposit will be required.

Public Comment

Parties to the proceeding may request disclosure of the calculation methodology and interested parties may request a hearing not later than 10 days after the date of publication of this notice. Interested parties may submit

written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted seven days after the time limit for filing the case briefs. Parties who submit written arguments in these proceedings are requested to submit with the argument (1) a statement of the issue and (2) a brief summary of the argument. Any hearing, if requested, will ordinarily be held seven days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 355.38.

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 355.38, are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)).

Dated: April 30, 1996.

Susan G. Esserman,
Assistant Secretary for Import
Administration.

[FR Doc. 96-11243 Filed 5-3-96; 8:45 am]

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