commercial expansion between the two countries.

The U.S. section of the Council, chaired by the U.S. Secretary of Commerce, consists of fifteen members, all drawn from the private sector. They represent the diversity of American business with emphasis on: agribusiness and food processing, tourism, banking and investment, pharmaceuticals, services, information technology, electronics and other high technology industries, and manufacturing industries. Private sector members will serve in a representative capacity presenting the views and interests of their particular industry and as senior business representatives whose expertise on international business issues can be shared. Private sector members are not special government employees, and will receive no compensation for their participation in Council activities. Members participating in Council meetings and events will be responsible for their travel, living, and other personal expenses. Council members serve for two-year terms at the discretion of the Secretary.

In order to be eligible for membership in the U.S. section, potential candidates should be:

- a U.S. citizen residing in the United States;
- the President or CEO (or comparable level of responsibility of a private sector company (or, in the case of very large private sector companies, the head of a sizeable operating unit); or head of a non-profit organization that has a unique technical expertise and outstanding reputation; and
- not a registered foreign agent under the Foreign Agents Registration Act of 1938, as amended.

In reviewing eligible candidates, the Secretary of Commerce will consider such selection factors as:

- Experience and interest in the Egyptian market;
- Industry or service sector represented;
- export/investment experience; and
- contribution to diversity based on industry sectors, company size, location, and demographics.

Members will be selected who will best carry out the objectives of the Council as stated in the Terms of Reference establishing the U.S.-Egypt Presidents' Council.

To be considered for membership, please provide the following: name or manes and title(s) of the individual(s) requesting consideration; name and address of the company or organization sponsoring each individual; company's product, service or technical expertise; size of the company; export trade, investment, or international program experience and major markets; and a brief statement of why the candidate(s) should be considered for membership on the Council.

Dated: April 6, 1999.

Thomas R. Parker,

Director, Office of the Near East.

[FR Doc. 99–8985 Filed 4–9–99 8:45 am]

BILLING CODE 3510–DA–M

DEPARTMENT OF COMMERCE

International Trade Administration

[C–475–819]

Certain Pasta from Italy: 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 is conducting an administrative review of the countervailing duty order on certain pasta from Italy for the period January 1, 1997, through December 31, 1997. We have preliminarily determined that certain producers/exporters have received net subsidies during the period of review. If the final results remain the same as these preliminary results, we will instruct the Customs Service to assess countervailing duties as detailed in the preliminary results of review. Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: April 12, 1999.

FOR FURTHER INFORMATION CONTACT: Vincent Kane, Sally Hastings, or Suresh Maniam, AD/CVD Enforcement, Group I, Office 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–2815, 482–3464 or 482–0176, respectively.

Background

On July 24, 1996, the Department of Commerce (the Department) published in the **Federal Register** (61 FR 38544) the countervailing duty order on pasta from Italy. On July 1, 1998, the Department published a notice of ''Opportunity to Request Administrative Review'' (63 FR 35909) of this countervailing duty order. We received timely requests for review and we initiated the review, covering the period January 1, 1997, to December 31, 1997, on August 27, 1998 (63 FR 45796), and September 9, 1998 (63 FR 48188). In accordance with 19 CFR 351.213(b), this review of the order covers the following producers or exporters of the subject merchandise for which a review was specifically requested: Audisio Industrie Alimentari S.p.A. (''Audisio''); the affiliated companies Delverde S.r.L., Tamma Industrie Alimentari di Capitanata S.r.L., Sangralimenti S.r.L., and Pietro Rotunno, S.r.L. (''Delverde/Tamma''); Pastificio Fabianelli S.p.A. (''Fabianelli''); and Pastificio Riscossa F.lli Mastromauro S.r.L. (''Riscossa''). This review covers 26 programs.

On September 15, 1998, we issued countervailing duty questionnaires to the Government of Italy (''GOI''), the Commission of the European Union (''EU''), and the above-named companies under review. The following seven companies which had requested to be included in this review withdrew their request on the noted dates: De Gi Ma S.r.L. and Pastificio Laporta S.a.s. on September 23, 1998; Industrie Alimentari Molisane S.r.L. and Pastificio Antonio Pallante S.r.L. on October 6, 1998; Pastificio Maltagliati S.p.A. on October 28, 1998; La Molisana Industrie Alimentari S.p.A. on November 4, 1998; and Petrini S.p.A. on November 5, 1998.

We received responses to our questionnaires and issued supplemental questionnaires throughout the period November 1998 through February 1999. Responses to supplemental questionnaires were received in March 1999.

The Department is conducting this administrative review in accordance with section 751(a) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (''URAA''), effective January 1, 1995 (''the Act'').

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR Part 351 (1998).

Scope of Review

Imports covered by this review are shipments of certain non-egg dry pasta in packages of five pounds (2.27 kilograms) or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastases, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by this scope is typically sold in the retail

market, in fiberboard or cardboard cartons or polyethylene or polypropylene bags, of varying dimensions.

Excluded from the scope of this review are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white. Also excluded are imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by the Instituto Mediterraneo Di Certificazione (''IMC''), by Bioagricoop Scrl, by QC&I International Services, or by Ecocert Italia.

The merchandise subject to review is currently classifiable under item 1902.19.20 of the *Harmonized Tariff Schedule of the United States* (''*HTSUS*''). Although the *HTSUS* subheading is provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive.

Scope Rulings

(1) On August 25, 1997, the Department issued a scope ruling that multicolored pasta, imported in kitchen display bottles of decorative glass that are sealed with cork or paraffin and bound with raffia, is excluded from the scope of the antidumping and countervailing duty orders (*see* Memorandum from Edward Easton to Richard Moreland, dated August 25, 1997).

(2) On July 30, 1998, the Department issued a scope ruling, finding that multipacks consisting of six one-pound packages of pasta that are shrink-wrapped into a single package are within the scope of the antidumping and countervailing duty orders. (*See* letter from Susan H. Kuhbach, Acting Deputy Assistant Secretary for Import Administration, to Barbara P. Sidari, Vice President, Joseph A. Sidari Company, Inc., dated July 30, 1998.)

(3) On October 26, 1998, we initiated a scope inquiry to determine whether a package weighing over five pounds as a result of industry packing tolerances may be within the scope of the antidumping and countervailing duty orders. A preliminary scope ruling was issued (*see* Memorandum from John Brinkmann to Richard Moreland, dated March 24, 1999).

Period of Review

The period of review (''POR'') for which we are measuring subsidies is from January 1, 1997, through December 31, 1997.

Subsidies Valuation Information

Benchmarks for Long-term Loans and Discount Rates: The companies under review did not takeout any long-term, fixed-rate, lira-denominated loans or other debt obligations which could be used as benchmarks in any of the years in which grants were received or government loans under review were given. Therefore, for years prior to 1995, we used the Bank of Italy reference rate, adjusted upward to reflect the mark-up an Italian commercial bank would charge a corporate customer, as the benchmark interest rate for long-term loans and as the discount rate. For 1995 through 1997, we used the average interest rate on medium-and long-term loans as reported by the Bank of Italy based on a survey of 114 Italian banks. We continued to use the same mark-up as in *Certain Pasta From Italy: Final Results of Countervailing Duty Review*, 63 FR 43905, 43906 (August 17, 1998) (''*Pasta First Review*''), but we will examine at verification whether that mark-up includes fees, commissions and other expenses.

Allocation Period: In *British Steel plc.* v. *United States*, 879 F.Supp. 1254, 1289 (CIT 1995) (''*British Steel I*''), the U.S. Court of International Trade (''CIT'' or ''the Court'') ruled against the allocation methodology for non-recurring subsidies that the Department had employed for the past decade, which was articulated in the *General Issues Appendix*, appended to *Final Countervailing Duty Determination; Certain Steel Products from Austria*, 58 FR 37225 (July 9, 1993) (''*GIA*''). In accordance with the Court's remand order, the Department determined that the most reasonable method of deriving the allocation period for nonrecurring subsidies is a company-specific average useful life (''AUL'') of non-renewable physical assets. This remand determination was affirmed by the Court on June 4, 1996. *See British Steel plc* v. *United States*, 929 F.Supp 426, 439 (CIT 1996) (''*British Steel II*''). Accordingly, the Department has applied this method to those non-recurring subsidies that were not countervailed in the investigation. However, for non-recurring subsidies received prior to the POR and which have already been countervailed based on an allocation period established in earlier segments of this proceeding, it is neither reasonable nor practicable to reallocate those subsidies over a different period of time. Therefore, for purposes of these preliminary results, the Department is using the original allocation period assigned to each non-recurring subsidy received prior to the POR. This conforms with our approach in *Certain Carbon Steel Products from Sweden; Final Results of Countervailing Duty Administrative Review*, 62 FR 16549 (April 7, 1997).

For non-recurring subsidies received during the POR, each company under review submitted an AUL calculation based on depreciation and asset values of productive assets reported in its financial statements. Each company's AUL was derived by dividing the sum of average gross book value of depreciable fixed assets over the past 10 years by the average depreciation charges over this period. We found this calculation to be reasonable and consistent with our company-specific AUL objective. We have used these calculated AULs for the allocation period for non-recurring subsidies received during the POR.

Benefits to Mills: In cases where semolina (the input product to pasta) and the subject merchandise were produced within a single corporate entity, the Department has found that subsidies to the input product benefit total sales of the corporation, including sales of the subject merchandise, without conducting an upstream subsidy analysis. (*See, e.g., Final Affirmative Countervailing Duty Determination: Certain Softwood Lumber Products from Canada*, 57 FR 22570 (May 28, 1992); *Final Affirmative Countervailing Duty Determination: Industrial Phosphoric Acid from Israel*, 52 FR 25447 (July 7, 1987); *Final Affirmative Countervailing Duty Determination: Certain Pasta from Italy*, 61 FR 30288, at 30292 (June 14, 1996) (''*Pasta from Italy*'').) Where appropriate, we have also included sales of semolina in calculating the *ad valorem* subsidy rate. However, for those companies where the mill is separately incorporated from the producer of the subject merchandise, we have not included subsidies for the milling operations in our calculations.

Changes in Ownership

One of the companies under review, Delverde/Tamma, purchased an existing pasta factory from an unaffiliated party. The previous owner of the purchased factory had received non-recurring countervailable subsidies prior to the transfer of ownership, which took place in 1991. Consistent with our practice in *Pasta First Review*, we have calculated the amount of the prior subsidies that passed through to Delverde with the acquisition of the factory, following the spin-off methodology described in the Restructuring section of the *GIA*, 58 FR at 37265.

Affiliated Parties

In *Pasta First Review*, we found that Delverde S.r.L. (''Delverde'') and Tamma Industrie Alimentari, S.r.L. (''Tamma'') warrant treatment as a single company with a combined rate due to the level of affiliation between the two companies. In this review, the respondents have provided no new information which would warrant a reconsideration of this determination. Therefore, we calculated a single countervailing duty rate for these companies by dividing their combined subsidy benefits by their combined sales.

Analysis of Programs

I. Programs Preliminarily Determined to Confer Subsidies

A. Industrial Development Grants

1. Law 64/86 Benefits

Law 64/86 provided assistance to promote industrial development in the Mezzogiorno (south of Italy). Grants were awarded to companies constructing new plants or expanding or modernizing existing plants. Pasta companies were eligible for grants to expand existing plants but not to establish new plants, because the market for pasta was deemed to be close to saturated. Grants were made only after a private credit institution chosen by the applicant made a positive assessment of the project.

In 1992, the Italian Parliament abrogated Law 64/86 and replaced it with Law 488/92 (see 2, below). This decision became effective in 1993. Projects approved prior to 1993, however, were authorized to receive grant amounts after 1993. Delverde/Tamma and Riscossa benefitted from industrial development grants under Law 64/86 during the POR.

In *Pasta from Italy*, the Department determined that these grants provide a countervailable subsidy within the meaning of section 771(5) of the Act. They provided a direct transfer of funds from the GOI bestowing a benefit in the amount of the grant. Also, these grants were found to be regionally specific within the meaning of section 771(5A) of the Act. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

In *Pasta from Italy*, the Department treated independent development grants as ''non-recurring'' based on the analysis set forth in the Allocation section of the GIA, 58 FR at 37226. In the current review, we have found no reason to depart from this treatment. Therefore, we have allocated those grants which exceeded 0.5 percent of a company's sales in the year of receipt over time. (*See GIA* at 58 FR 37226.) To calculate the countervailable subsidy, we used our standard grant methodology. We divided the benefit attributable to each company in the POR by its sales in the POR. Thus, we determine the countervailable subsidy for these grants to be 2.18 percent ad valorem for Delverde/Tamma and 0.74 percent *ad valorem* for Riscossa.

2. Law 488/92 Benefits

In 1986, the EU initiated an investigation of the GOI's regional subsidy practices. As a result of this investigation, the GOI changed the regions eligible for regional subsidies to include depressed areas in central and northern Italy in addition to the Mezzogiorno. After this change, the areas eligible for regional subsidies are the same as those classified as Objective 1, Objective 2, and Objective 5(b) areas by the EU (*see* III., below). The new policy was given legislative form in Law 488/92 under which Italian companies in the eligible areas may apply for industrial development grants. (Loans are not provided under Law 488/92.) Law 488/92 was previously found countervailable in *Final Affirmative Countervail Duty Determination: Stainless Steel Plate in Coils from Italy*, 64 FR 15508, (March 31, 1999).

In the POR, Delverde/Tamma received grants under Law 488/92 for modernization of its pasta factory and warehouse and the production of pasta.

Based on information provided in the responses, we preliminarily determine that grants under Law 488/92 provide a direct transfer of funds from the GOI bestowing a benefit in the amount of the grant. Also, we preliminarily find these grants to be regionally specific within the meaning of section 771(5A) of the Act. We, therefore, preliminarily determine that these grants provide a countervailable subsidy within the meaning of section 771(5) of the Act.

We have determined that Law 488/92 grants are ''non-recurring'' based on the analysis set forth in the Allocation section of the *GIA*, 58 FR at 37226. In accordance with our practice, we have allocated these grants, which exceeded 0.5 percent of Delverde/Tamma's sales in the year of receipt, over time. (*See GIA* at 58 FR 37226.)

To calculate the countervailable subsidy, we used our standard grant methodology. We divided Delverde/Tamma's benefit attributable to the POR by the company's sales in the POR. Thus, we preliminarily determine the countervailable subsidy for this program to be 0.23 percent *ad valorem* for Delverde/Tamma.

B. Industrial Development Loans Under Law 64/86

Law 64/86 also provided reduced rate industrial development loans with interest contributions to companies constructing new plants or expanding or modernizing existing plants in the Mezzogiorno. The interest rate on these loans was set at the reference rate, with the GOI's interest contributions serving to reduce this rate. For the reasons discussed above, pasta companies were eligible for interest contributions to expand existing plants but not to establish new plants.

Delverde/Tamma received industrial development loans with interest contributions from the GOI. These loans were outstanding during the POR.

In *Pasta from Italy*, the Department determined that these loans were countervailable subsidies within the meaning of section 771(5) of the Act. They were a direct transfer of funds from the GOI providing a benefit in the amount of the difference between the benchmark interest rate and the interest rate paid by the companies after accounting for the GOI's interest contributions. Also, they were found to be regionally specific within the meaning of section 771(5A) of the Act. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

It is the Department's practice to measure the benefit conferred by interest rebates using our loan methodology if the company knew in advance that the government was likely to pay or rebate interest on the loan at the time the loan was taken out. (*See, e.g., Certain Steel from Italy*, 58 FR 37331 (July 9, 1993).) Because, in this case, the recipients of the interest contributions knew, prior to taking out the loans, that the GOI would be likely to provide the interest contributions, we have allocated the benefit over the life of the loan for which the contribution was received. We divided Delverde/Tamma's benefit attributable to the POR by the company's sales in the POR. On this basis, we preliminarily determine the countervailable subsidy for this program to be 0.65 percent *ad valorem* for Delverde/Tamma.

C. Export Marketing Grants under Law 304/90

To increase market share in non-EU markets, Law 304/90 provides grants to encourage enterprises operating in the food and agricultural sectors to carry out pilot projects aimed at developing links

between Italian producers and foreign distributors, and improving services in those markets. Emphasis is placed on assisting small-and medium-sized producers.

In *Pasta from Italy*, the Department determined that the export marketing grants under Law 304 provided countervailable subsidies within the meaning of section 771(5) of the Act. The grants were a direct transfer of funds from the GOI providing a benefit in the amount of the grant. The grants were also found to be specific because their receipt was contingent upon anticipated exportation. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

Delverde/Tamma received a grant under this program for an export sales pilot project in the United States prior to the POR.

Each project funded by Law 304/90 grants requires a separate application and approval, and the projects represent one-time events in that they involve an effort to establish warehouses, sales offices, and a selling network in new overseas markets. Therefore, in *Pasta from Italy*, the Department treated the grant received under this program as ''non-recurring'' based on the analysis set forth in the Allocation section of the *GIA*, 58 FR at 37226. Further, the Department found that the grant exceeded 0.5 percent of Delverde/Tamma's exports to the United States in the year it was received. Therefore, in accordance with our past practice, we allocated the benefits of this grant over time. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

To calculate the countervailable subsidy, we used our standard grant methodology. We divided the benefit attributable to the POR by Delverde/Tamma's exports to the United States in the POR. On this basis, we preliminarily determine the countervailable subsidy to be 0.22 percent ad valorem for Delverde/Tamma.

D. Social Security Reductions and Exemptions

1. Sgravi Benefits

Pursuant to Law 1089 of October 25, 1968, companies located in the Mezzogiorno were granted a 10 percent reduction in social security contributions for all employees on the payroll as of September 1, 1968, as well as those hired thereafter. Subsequent laws (*e.g.*, Law 183/76, Law 30/97 and Sgravi Unico) authorized companies located in the Mezzogiorno to take additional reductions in social security contributions for employees hired during later periods, provided that the new hires represented a net increase in the employment level of the company. The additional reductions ranged from 10 to 20 percentage points. Further, for employees hired during the period July 1, 1976 to November 30, 1991, companies located in the Mezzogiorno were granted a full exemption from social security contributions for a period of 10 years, provided that employment levels showed an increase over a base period.

In *Pasta from Italy*, the Department determined that the social security reductions and exemptions were countervailable subsidies within the meaning of section 771(5) of the Act. They represented revenue foregone by the GOI and they conferred a benefit in the amount of the savings received by the companies. Also, they were found to be specific within the meaning of section 771(5A) of the Act because they are limited to companies located in the Mezzogiorno. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

Delverde/Tamma and Riscossa received social security reductions and exemptions during the POR.

To calculate the countervailable subsidy, we divided each company's savings in social security contributions during the POR by that company's sales in the POR. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.31 percent ad valorem for Delverde/Tamma and 0.37 percent ad valorem for Riscossa.

2. Fiscalizzazione Benefits

In addition to the sgravi deductions described above, the GOI provides social security benefits of another type, called ''fiscalizzazione.'' Fiscalizzazione is a nationwide measure which provides a reduction of certain social security payments related to health care or insurance. The program provides an equivalent level of deductions throughout Italy for contributions related to tuberculosis, orphans, and pensions. However, the program provides a higher deduction from contributions to the National Health Insurance system for manufacturing enterprises located in southern Italy compared to those located in northern Italy. Until July 31, 1995, the differential was 6.16 percent of base salary after which it was reduced to five percent. In 1996, the differential was reduced to four percent and it was further reduced to three percent on January 1, 1997.

In *Pasta from Italy*, the Department determined that the fiscalizzazione reductions were countervailable subsidies within the meaning of section 771(5) of the Act for companies with operations in southern Italy. They represented revenue foregone by the GOI and conferred a benefit in the amount of the greater savings accruing to companies in southern Italy. In addition, they were found to be regionally specific within the meaning of section 771(5A) of the Act. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

Delverde/Tamma and Riscossa received the higher levels of fiscalizzazione deductions available to companies located in the Mezzogiorno during the POR.

To calculate the countervailable subsidy, we divided the excess fiscalizzazione deductions realized by each company in the POR by that company's sales in the POR. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.07 percent ad valorem for Delverde/Tamma and 0.21 percent ad valorem for Riscossa.

3. Law 407/90 Benefits

Law 407/90 grants a two-year exemption from social security taxes when a company hires a worker who has been previously unemployed for a period of two years or more. A 100 percent exemption was allowed for companies in southern Italy. However, companies located in northern Italy received only a 50 percent exemption.

In *Pasta from Italy*, the Department determined that the 100 percent exemptions provided under Law 407/90 to companies with operations in southern Italy were countervailable subsidies within the meaning of section 771(5) of the Act. They represented revenue foregone by the GOI and conferred a benefit in the amount of the greater savings accruing to the companies in southern Italy. In addition, the exemptions were found to be regionally specific within the meaning of section 771(5A) of the Act. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

Delverde/Tamma received the higher level of Law 407/90 deductions available to companies located in the Mezzogiorno during the POR.

To calculate the countervailable subsidy, we divided the amount of the

Law 407/90 exemption which exceeds the amount available in northern Italy realized by Delverde/Tamma in the POR by the company's sales during the same period. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.00 percent ad valorem for Delverde/Tamma.

4. Law 863 Benefits

Law 863 provides for a reduction of social security payments of 25 percent for companies in northern Italy whose employees are participating in a training program. Companies in southern Italy receive a 100 percent reduction in social security payments for such employees.

In *Pasta from Italy*, the Department determined that Law 863 reductions were countervailable subsidies within the meaning of section 771(5) of the Act for companies with operations in southern Italy. They represented revenue foregone by the GOI and confer a benefit in the amount of the greater savings accruing to the companies in southern Italy. In addition, they were found to be regionally specific within the meaning of section 771(5A) of the Act. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

Delverde/Tamma received the higher level of Law 863 deductions available to companies located in the Mezzogiorno during the POR.

To calculate the countervailable subsidy, we divided the amount of the Law 863 reductions which exceeds the amount available in northern Italy realized by Delverde/Tamma in the POR by the company's sales in that year. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.17 percent ad valorem for Delverde/Tamma.

E. Remission of Taxes on Export Credit Insurance under Article 33 of Law 227/77

The Special Section for Export Credit Insurance (''SACE'') was created under Article 2 of Law 227/77 as the branch of the GOI responsible for the administration of government export credit insurance and guarantee programs. Pursuant to Article 3 of Law 227/77, SACE insures and reinsures political, catastrophic, economic, commercial and exchange-rate risks which Italian operators are exposed to in their foreign activities.

During the POR, only two private insurance companies, Societa Italiana Crediti S.p.A. (''SIAC'') and La Viscontea S.p.A. (''LV''), had reinsurance agreements with SACE. Under the reinsurance agreements, the companies passed along a fixed percentage (*i.e.*, 30 percent) of their export credit insurance premia to SACE. In return, SACE assumed that same percentage of risk on export credit insurance policies sold by the companies (*i.e.*, SACE would pay 30 percent of any claim for which the companies would become liable).

Article 33 of Law 227/77 provides for the remission of insurance taxes on policies directly insured or reinsured with SACE. For reinsurance policies, this remission of insurance taxes applied not only to the portion of the risk covered by SACE, but also the remaining portion covered by the private insurance company. As a result, export credit insurance policies sold by SIAC and LV during the POR were totally exempt from the insurance tax by virtue of its reinsurance agreement with SACE. Export credit insurance policies sold by other private insurance companies, however, were not exempt from the insurance tax. The insurance tax rate was 12.5 percent of premia paid.

In *Pasta from Italy*, we determined that the exemption from the insurance tax for policies directly insured or reinsured with SACE was a countervailable subsidy within the meaning of section 771(5) of the Act. The exemption represents revenue foregone by the GOI and confers tax savings on the companies. Also, because export credit insurance was available only to exporters and was by its nature contingent upon export performance, we found the remission of taxes on export credit insurance to be specific within the meaning of section 771(5A) of the Act. In this review, neither the GOI nor the responding companies provided new information which would warrant reconsideration of this determination.

Fabianelli obtained export credit insurance from SIAC for its exports to the United States and, therefore, was exempted from the insurance tax. To calculate the benefit, we multiplied the premia paid by Fabianelli during the POR for exports to the United States by the insurance tax rate and divided the amount by the company's total exports to the United States in the POR. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.03 percent ad valorem for Fabianelli.

F. Export Restitution Payments

Since 1962, the EU has operated a subsidy program which provides restitution payments to EU pasta exporters based on the durum wheat content of their exported pasta products. Generally, under this program, a restitution payment is available to any EU exporter of pasta products, regardless of whether the pasta was made with imported wheat or wheat grown within the EU. The amount of the restitution payment is calculated by multiplying the prevailing restitution payment rate on the date of exportation by the weight of the unmilled durum wheat used to produce the exported pasta. The weight of the unmilled durum wheat is calculated by applying a conversion factor to the weight of the pasta. The EU calculates the restitution payment rate, on a monthly basis, by first computing the difference between the world market price of durum wheat and an internal EU price and then adding a monthly increment (in all months except June and July, which are harvest months). The EU will not normally allow the restitution payment rate to be higher than the levy that the EU imposes on imported durum wheat, as such a situation would lead to circular trade. Because there was no significant price difference between the EU price and the world market price on durum wheat in the POR, the restitution payment rate was zero during the POR. However, export restitution payments were received in the POR for shipments made prior to the POR. Fabianelli, Audisio, and Riscossa received export restitution payments during the POR for shipments to the United States.

In *Pasta from Italy*, the Department determined that export restitution payments were countervailable subsidies within the meaning of section 771(5) of the Act. Each payment represented a direct transfer of funds from the EU providing a benefit in the amount of the payment. The restitution payments were found to be specific because their receipt is contingent upon export performance. In this review, the GOI, the EU, and the responding companies did not provide new information which would warrant reconsideration of this determination.

In accordance with our normal practice of recognizing subsidy benefits when there is a cash-flow effect, we have calculated the subsidy rate for export restitution benefits based on the amount actually received during the POR. Export restitution benefits are not ''automatic'' in that their receipt is not certain until an application has been filed. The amounts received, while generally quite close to the amounts requested, do not always equal the amount indicated by the company on its request form. Thus, we have calculated the subsidy rate for export restitution benefits based on the amount actually received during the POR.

To calculate the subsidy, we divided the export restitution payments received by each company in the POR on shipments to the United States by that company's pasta exports to the United States in the POR. On this basis, we preliminarily determine the countervailable subsidy from this program to be 0.22 percent ad valorem for Delverde/Tamma, 0.42 percent ad valorem for Fabianelli, 1.03 percent ad valorem for Audisio, and 0.81 percent ad valorem for Riscossa.

III. Program For Which We Need More Information

European Social Fund—Objective 4

The European Social Fund (''ESF''), one of the Structural Funds of the EU, was created under Article 123 of the Treaty of Rome to improve employment opportunities for workers and to help raise their living standards. There are six different objectives identified by the Structural Funds: Objective 1 covers projects located in underdeveloped regions: Objective 2 addresses areas in industrial decline; Objective 3 relates to the employment of persons under 25; Objective 4 funds training for employees in companies undergoing industrial changes; Objective 5 pertains to agricultural areas; and, Objective 6 pertains to regions with very low population (*i.e.*, the far north). The ESF provides vocational training and employment aids.

In *Pasta from Italy* and *Pasta First Review*, the Department determined that ESF grants were regionally specific and constituted countervailable subsidies within the meaning of section 771(5) of the Act because such grants were provided to companies located in Objective 1, Objective 2, and Objective 5(b) regions. During the POR of the current review, Audisio received ESF assistance for training activities through a provincial body pursuant to EEC Reg. 2081/93 Objective 4. According to the responses, the training was funded by the ESF, the GOI through its Rotational Fund, and other participants. In the *Final Affirmative Countervailing Duty Determination: Steel Wire Rod from Italy*, 63 FR 40474 (July 29, 1998) and *Final Affirmative Countervailing Duty Determination: Stainless Steel Plate in Coils from Italy*, 64 FR 15508 (March 31, 1999), we altered the manner in which we determine the specificity of ESF programs. Therein, we examined the specificity of the funding under each Objective separately. However, we do not have sufficient information on the record to determine the specificity of the Objective 4 funding received by Audisio. Therefore, we have decided to seek more information on this program before our final determination.

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 nor receive benefits under these programs during the POR:

A. Local Income Tax (''ILOR'') Exemptions
B. VAT Reductions
C. Lump-Sum Interest Payment Under the Sabatini Law for Companies in Southern Italy
D. Export Credits Under Law 227/77
E. Capital Grants Under Law 675/77
F. Retraining Grants Under Law 675/77
G. Interest Contributions on Bank Loans Under Law 675/77
H. Interest Grants Financed by IRI Bonds
I. Preferential Financing for Export Promotion Under Law 394/81
J. Corporate Income Tax (''IRPEG'') Exemptions
K. Urban Redevelopment Under Law 181
L. Debt Consolidation Law 341/95
M. Grant Received Pursuant to the Community Initiative Concerning the Preparation of Enterprises for the Single Market (''PRISMA'')
N. European Agricultural Guidance and Guarantee Fund (''EAGGF'')
O. European Regional Development Fund (''ERDF'')

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, 1997 through December 31, 1997, we preliminarily determine the net subsidy rates for producers/exporters under review to be those specified in the chart shown below. If the final results of this review remain the same as these preliminary results, the Department intends to instruct Customs to assess countervailing duties at these net subsidy rates.

The Department also intends to instruct Customs to collect cash deposits of estimated countervailing duties at these rates on the f.o.b. value of all shipments of the subject merchandise from the producers/exporters under review entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review.

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 reviews 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), the predecessor to 19 CFR 351.212(c)). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of these review.

We will instruct Customs to continue to collect cash deposits for non-reviewed companies, except Barilla G. e R. F.lli S.p.A. (''Barilla'') and Gruppo Agricoltura Sana S.r.L. (''Gruppo'') (which were excluded from the order during the investigation), 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 are those established in the *Notice of Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination: Certain Pasta (''Pasta'') from Italy*, 61 FR 38544 (July 24, 1996), the most recently published countervailing duty rates for companies not reviewed in this administrative review.

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, 1997 through December 31, 1997, the assessment rates applicable to all non-reviewed companies covered by these orders are the cash deposit rates in effect at the time of entry, except for Barilla and Gruppo (which were excluded from the order during the original investigation).

Company	*Ad valorem* rate
Delverde, S.r.L.	4.05
Tamma Industrie Alimentari di Capitanata, S.r.L.	4.05
Audisio Industrie Alimentari S.p.A.	1.03
Pastificio Fabianelli S.p.A.	0.45
Pastificio Riscossa F.lli Mastromauro S.r.L	2.13

Public Comment

Interested parties may request a hearing not later than 30 days after the date of publication of this notice. Interested parties may submit written arguments in case briefs on these preliminary results within 30 days of the date of publication. Rebuttal briefs, limited to arguments raised in case briefs, may be submitted five days after the time limit for filing the case brief. Parties who submit an argument in this proceeding are requested to submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument. Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

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 briefs or at a hearing.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 2, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–9050 Filed 4–9–99; 8:45 am]

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DEPARTMENT OF COMMERCE

Evaluation of State Coastal Management Programs and National Estuarine Research Reserves

AGENCY: Office of Ocean and Coastal Resource Management National Ocean Service National Oceanic and Atmospheric Administration Department of Commerce.

ACTION: Notice of availability of final evaluation findings.

SUMMARY: Notice is hereby given of the availability of the final evaluation findings for the Alaska, Delaware, Massachusetts, Pennsylvania, and Virgin Islands Coastal Management Programs, and the Chesapeake Bay (Virginia), Waquoit Bay (Massachusetts), and Old Woman Creek (Ohio) National Estuarine Research Reserves (NERRs). Sections 312 and 315 of the Coastal Zone Management Act of 1972 (CZMA), as amended, require a continuing review of the performance of coastal states with respect to approved coastal management programs and the operation and management of NERRs.

The States of Alaska, Delaware, Massachusetts, and Pennsylvania, and the Territory of the Virgin Islands were found to be implementing and enforcing their Federally approved coastal management programs, addressing the national coastal management objectives identified in CZMA section 303(2)(A)–(K), and adhering to the programmatic terms of their financial assistance awards.

Old Woman Creek, Waquoit Bay and Chesapeake Bay NERRs were found to be adhering to programmatic requirements of the NERR System. Copies of these final evaluation findings may be obtained upon written request from: Vickie Allin, Chief, Policy Coordination Division, Office of Ocean and Coastal Resource Management, NOS/NOAA, 1305 East-West Highway, 10th Floor, Silver Spring, Maryland 20910, (301) 713–3086, Extension 126.

Federal Domestic Assistance Catalog 11.419, Coastal Zone Management Program Administration.

Ted Lillestolen,

Deputy Assistant Administrator.

[FR Doc. 99–8984 Filed 4–9–99; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 040699A]

Gulf of Mexico Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of public meeting.

SUMMARY: The Gulf of Mexico Fishery Management Council (Council) will convene public meetings of the Mackerel Advisory Panel (AP) and Scientific and Statistical Committee (SSC).

DATES: The AP meeting is scheduled to begin at 8:00 a.m. on Monday, April 26, 1999 and adjourn at 3:30 p.m. The Standing and Special Mackerel SSC meeting will be convened at 8:00 a.m. on Tuesday, April 27, 1999 and will conclude at 12:00 noon. The Standing SSC will reconvene at 1:00 p.m. and finish its business by 3:30 p.m.

ADDRESSES: The meeting will be held at the at the Tampa Airport Hilton Hotel, 2225 Lois Avenue, Tampa, FL 33607; telephone: 813–877–6688.

Council address: Gulf of Mexico Fishery Management Council, 3018 U.S. Highway 301 North, Suite 1000, Tampa, FL 33619.

FOR FURTHER INFORMATION CONTACT: Dr. Richard Leard, Senior Fishery Biologist, at the Gulf of Mexico Fishery Management Council, 3018 U.S. Highway 301 North, Suite 1000, Tampa, FL 33619; telephone: 813–228–2815.

SUPPLEMENTARY INFORMATION: The SSC will review the 1999 stock assessment updates for both king and Spanish Mackerel, the Mackerel Stock Assessment Panel (MSAP) report, and the report of the Socioeconomic Panel (SEP) that includes economic and social information related to the range of acceptable biological catch (ABC) and other management considerations for mackerels in the Gulf of Mexico and South Atlantic. Based on this review, the SSC may recommend to the Council levels for total allowable catch (TAC), bag limits, size limits, commercial quotas, and other measures for these species for the 1999–2000 fishing season. The Mackerel AP will review the same information and formulate their recommendations based on their perspectives as users of these resources. The Standing SSC will review a recently completed report of a bycatch reduction device (BRD) evaluation study that was developed by NMFS. The SSC may make recommendations regarding the scientific validity of this study and/or future evaluation efforts.

Copies of the agendas can be obtained by calling 813–228–2815.

Although other issues not on the agenda may come before the SSC and Mackerel AP for discussion, in accordance with the Magnuson-Stevens Fishery Conservation and Management Act, those issues may not be the subject of formal action during these meetings. Actions will be restricted to those issues