was not intended to bar us from looking at all facets of the transaction). Where the Department determines that a substantial portion of the middleman's resales in the United States was made at below the middleman's total acquisition costs and the middleman incurred substantial losses on those resales, middleman dumping has occurred and the margin calculation is adjusted accordingly, *i.e.*, we look to the middleman's first sale to an unaffiliated customer. *See Amended Preliminary Determination; Fuel Ethanol*.

Ta Chen acknowledges that the Department has the authority to conduct middleman dumping investigations but offers various arguments against applying middleman dumping to Ta Chen. Ta Chen mainly argues that if there was not a sale between YUSCO and Ta Chen, but Ta Chen merely acted as a selling agent for its wholly-owned U.S. affiliate, TCI, there can be no middleman and thus no middleman dumping.

Here, the verified evidence establishes that YUSCO and Tung Mung made sales to Ta Chen, not directly to TCI (although Tung Mung did have a small number of direct sales to TCI, we are not considering them to be subject to our middleman investigation). Contrary to Ta Chen's assertions otherwise, Ta Chen did take legal title to the merchandise. Even though YUSCO and Tung Mung shipped the merchandise fob to TCI at a port in Taiwan, a purchaser need not take physical possession of merchandise to have legal title. Here, Ta Chen negotiated the sale with YUSCO and Tung Mung, signs a sales contract with YUSCO and Tung Mung, was invoiced by YUSCO and Tung Mung, paid YUSCO and Tung Mung for the merchandise, entered these sales into Ta Chen's book, and undertook various other activities involved in exporting and transporting the merchandise. *See* Exhibits 6 and 8 of Tung Mung's Verification Report dated April 12, 1999, page A–10 of Tung Mung's questionnaire response dated September 8, 1998. *See* also pages 5, 13 and Exhibit 9 of YUSCO's Sales Verification report dated April 12, 1999. Thus, the evidence is sufficient to establish that Ta Chen was acting as a middleman within the meaning of the antidumping law.

Further, trading companies such as Ta Chen have typically been the focus of the Department's investigation into middleman dumping allegations because most often trading companies engage in the ''successive resales from the foreign producer to the first unrelated U.S. buyer,'' thus prompting our scrutiny. *See, e.g., Electrolytic Manganese Dioxide From Japan*, 58 FR 28551 (May 14, 1993); *Fuel Ethanol; PC Strand From Japan*: Final Results of Redetermination Pursuant to Court Remand, Court. No. 90–12–00633 (August 5, 1994); see also *Consolidated International Automotive, Inc.* v. *United States*, 809 F. Supp. 125, 130 (CIT 1992).

We also disagree that we should examine Ta Chen's role in the transaction chain by applying the criteria we normally use to determine if U.S. sales are EP or CEP sales. For a more complete discussion of this issue, *see SSPC from Taiwan*, Comment 6.

Finally, given that we find that Ta Chen is a middleman, the question Ta Chen raises regarding the geographical location of the middleman is moot, since Ta Chen is located in the exporting country and hence clearly within the ambit of a middleman dumping investigation. *See e.g.*, Antidumping Manual, Chapter 7 at 5 (if the Department receives a documented allegation that the trading company located in the exporting country or a third country is reselling to the United States at prices which do not permit the recovery of its total acquisition costs, we will initiate a middleman dumping investigation).

Suspension of Liquidation

In accordance with section 735(c)(1)(B) Act, we are directing the U.S. Customs Service to suspend liquidation of all entries of subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final determination in the **Federal Register**. The all-others rate reflects an average of the corroborated non-*de minimis* margins alleged in the petition. The Customs Service shall require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
Tung Mung/Ta Chen	14.95
Tung Mung	14.95
Chang Mien	0.98
YUSCO/Ta Chen	34.95
YUSCO	34.95
All Others	12.61

Since the final weighted average margin percentage for Chang Mien is *de minimis*, Chang Mien will be excluded from an antidumping order, if issued, on stainless steel sheet and strip in coils from Taiwan as a result of this investigation.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs to assess antidumping duties on all imports of the subject merchandise entered for consumption on or after the effective date of the suspension of liquidation. This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: May 19, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–13681 Filed 6–7–99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–475–825]

Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils From Italy

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

EFFECTIVE DATE: June 8, 1999.

FOR FURTHER INFORMATION CONTACT: Cynthia Thirumalai, Craig W. Matney, Gregory W. Campbell, or Alysia Wilson, AD/CVD Enforcement, Group I, Office 1, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–4087, 482–1778, 482–2239, or 482–0108, respectively.

Final Determination

The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of

stainless steel sheet and strip in coils from Italy. For information on the estimated countervailing duty rates, please see the Suspension of Liquidation section of this notice.

The Petitioners

The petition in this investigation was filed by Allegheny Ludlum Corporation, Armco, Inc., J&L Specialty Steels, Inc., Lukens Inc., AFL–CIO/CLC (USWA), Butler Armco Independent Union and Zanesville Armco Independent Organization, Washington Steel Division of Bethlehem Steel Corp., United Steel Workers of America (the petitioners).

Case History

Since our preliminary determination on November 9, 1998 (*Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination: Stainless Steel Sheet and Strip in Coils from Italy,* 63 FR 63900 (November 17, 1998) (*Preliminary Determination*)), the following events have occurred:

We conducted verification in Belgium and Italy of the questionnaire responses of the European Commission (EC), Government of Italy (GOI), Acciai Speciali Terni S.p.A.(AST), and Arinox S.r.L. (Arinox) from November 11 through November 27, 1998. The petitioners, AST, and Arinox filed case and rebuttal briefs on February 17 and February 23, 1999. A public hearing was held on February 25, 1999. After the hearing, at the Department's request, additional comments were submitted by petitioners and respondents on March 2, 1999. On March 12, 1999, the EC submitted additional comments. On May 6, 1999, the Department solicited information from the EC clarifying information already on the record. Parties submitted comments on this information on May 11, 1999.

Scope of Investigation

We have made minor corrections to the scope language excluding certain stainless steel foil for automotive catalytic converters and certain specialty stainless steel products in response to comments by interested parties.

For purposes of this investigation, the products covered are certain stainless steel sheet and strip in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness, and that is annealed or otherwise heat treated and pickled or otherwise descaled. The subject sheet and strip may also be further processed (*e.g.,* cold-rolled, polished, aluminized, coated, etc.) provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this investigation is classified in the *Harmonized Tariff Schedule of the United States* (HTSUS) at subheadings: 7219.13.00.30, 7219.13.00.50, 7219.13.00.70, 7219.13.00.80, 7219.14.00.30, 7219.14.00.65, 7219.14.00.90, 7219.32.00.05, 7219.32.00.20, 7219.32.00.25, 7219.32.00.35, 7219.32.00.36, 7219.32.00.38, 7219.32.00.42, 7219.32.00.44, 7219.33.00.05, 7219.33.00.20, 7219.33.00.25, 7219.33.00.35, 7219.33.00.36, 7219.33.00.38, 7219.33.00.42, 7219.33.00.44, 7219.34.00.05, 7219.34.00.20, 7219.34.00.25, 7219.34.00.30, 7219.34.00.35, 7219.35.00.05, 7219.35.00.15, 7219.35.00.30, 7219.35.00.35, 7219.90.00.10, 7219.90.00.20, 7219.90.00.25, 7219.90.00.60, 7219.90.00.80, 7220.12.10.00, 7220.12.50.00, 7220.20.10.10, 7220.20.10.15, 7220.20.10.60, 7220.20.10.80, 7220.20.60.05, 7220.20.60.10, 7220.20.60.15, 7220.20.60.60, 7220.20.60.80, 7220.20.70.05, 7220.20.70.10, 7220.20.70.15, 7220.20.70.60, 7220.20.70.80, 7220.20.80.00, 7220.20.90.30, 7220.20.90.60, 7220.90.00.10, 7220.90.00.15, 7220.90.00.60, and 7220.90.00.80. Although the HTSUS subheadings are provided for convenience and Customs purposes, the Department's written description of the merchandise under investigation is dispositive.

Excluded from the scope of this investigation are the following: (1) sheet and strip that is not annealed or otherwise heat treated and pickled or otherwise descaled, (2) sheet and strip that is cut to length, (3) plate (*i.e.,* flat-rolled stainless steel products of a thickness of 4.75 mm or more), (4) flat wire (*i.e.,* cold-rolled sections, with a prepared edge, rectangular in shape, of a width of not more than 9.5 mm), and (5) razor blade steel. Razor blade steel is a flat-rolled product of stainless steel, not further worked than cold-rolled (cold-reduced), in coils, of a width of not more than 23 mm and a thickness of 0.266 mm or less, containing, by weight, 12.5 to 14.5 percent chromium, and certified at the time of entry to be used in the manufacture of razor blades. *See* Chapter 72 of the HTSUS, "Additional U.S. Note" 1(d).

In response to comments by interested parties the Department has determined that certain specialty stainless steel products are also excluded from the scope of this investigation. These excluded products are described below:

Flapper valve steel is defined as stainless steel strip in coils containing, by weight, between 0.37 and 0.43 percent carbon, between 1.15 and 1.35 percent molybdenum, and between 0.20 and 0.80 percent manganese. This steel also contains, by weight, phosphorus of 0.025 percent or less, silicon of between 0.20 and 0.50 percent, and sulfur of 0.020 percent or less. The product is manufactured by means of vacuum arc remelting, with inclusion controls for sulphide of no more than 0.04 percent and for oxide of no more than 0.05 percent. Flapper valve steel has a tensile strength of between 210 and 300 ksi, yield strength of between 170 and 270 ksi, plus or minus 8 ksi, and a hardness (Hv) of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.

Also excluded is a product referred to as suspension foil, a specialty steel product used in the manufacture of suspension assemblies for computer disk drives. Suspension foil is described as 302/304 grade or 202 grade stainless steel of a thickness between 14 and 127 microns, with a thickness tolerance of plus-or-minus 2.01 microns, and surface glossiness of 200 to 700 percent Gs. Suspension foil must be supplied in coil widths of not more than 407 mm, and with a mass of 225 kg or less. Roll marks may only be visible on one side, with no scratches of measurable depth. The material must exhibit residual stresses of 2 mm maximum deflection, and flatness of 1.6 mm over 685 mm length.

Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of this investigation. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of no more than 0.03 percent, lanthanum of less than 0.002 or greater than 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron.

Permanent magnet iron-chromium-cobalt alloy stainless strip is also

excluded from the scope of this investigation. This ductile stainless steel strip contains, by weight, 26 to 30 percent chromium, and 7 to 10 percent cobalt, with the remainder of iron, in widths 228.6 mm or less, and a thickness between 0.127 and 1.270 mm. It exhibits magnetic remanence between 9,000 and 12,000 gauss, and a coercivity of between 50 and 300 oersteds. This product is most commonly used in electronic sensors and is currently available under proprietary trade names such as ''Arnokrome III.'' [1]

Certain electrical resistance alloy steel is also excluded from the scope of this investigation. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials (ASTM) specification B344 and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390 degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as ''Gilphy 36.'' [2]

Certain martensitic precipitation-hardenable stainless steel is also excluded from the scope of this investigation. This high-strength, ductile stainless steel product is designated under the Unified Numbering System (UNS) as S45500-grade steel, and contains, by weight, 11 to 13 percent chromium, and 7 to 10 percent nickel. Carbon, manganese, silicon and molybdenum each comprise, by weight, 0.05 percent or less, with phosphorus and sulfur each comprising, by weight, 0.03 percent or less. This steel has copper, niobium, and titanium added to achieve aging, and will exhibit yield strengths as high as 1700 Mpa and ultimate tensile strengths as high as 1750 Mpa after aging, with elongation percentages of 3 percent or less in 50 mm. It is generally provided in thicknesses between 0.635 and 0.787 mm, and in widths of 25.4 mm. This product is most commonly used in the manufacture of television tubes and is currently available under proprietary trade names such as ''Durphynox 17.'' [3]

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of this investigation. These include stainless steel strip in coils used in the production of textile cutting tools (e.g., carpet knives).[4] This steel is similar to AISI grade 420 but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less, and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as ''GIN4 Mo.'' The second excluded stainless steel strip in coils is similar to AISI 420–J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and 0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100 carbide particles per 100 square microns. An example of this product is ''GIN5'' steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500 guaranteed after customer processing, and is supplied as, for example, ''GIN6''.[5]

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA) effective January 1, 1995 (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).

Injury Test

Because Italy 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 Italy materially injure, or threaten material injury to, a U.S. industry. On August 5, 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 Italy of the subject merchandise (*see Certain Stainless Steel Sheet and Strip in Coils From France, Germany, Italy, Japan, the Republic of Korea, Mexico, Taiwan, and the United Kingdom,* 63 FR 41864 (August 5, 1998)).

Period of Investigation

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

Respondents Investigated

In this investigation there are six respondents, AST and Arinox, producers and exporters of the subject merchandise, and the governments of Italy, Terni, Liguria and the EC.

Of these two, only AST and its predecessors underwent changes in ownership during the period for which we are measuring subsidy benefits.

Corporate History of AST

The corporate history of AST is described fully in *Final Affirmative Countervailing Duty Determination: Stainless Steel Plate in Coils form Italy* (*Plate Final*), 64 FR 15508–15509 (March 31, 1999).

Changes in Ownership

Factual information pertaining to AST, parties' comments on our methodology, our responses to those comments and the application of our change-in-ownership methodology we employed in the instant case have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15509–15510).

Subsidies Valuation Information

Benchmarks for Long-term Loans and Discount Rates: Consistent with our finding in *Final Affirmative Countervailing Duty Determination: Certain Stainless Steel Wire Rod from Italy,* 63 FR at 40474, 40477 (October 22, 1997) (*Wire Rod from Italy*), we have based our long-term benchmarks and discount rates on the Italian Bankers' Association (ABI) rate. Because the ABI rate represents a long-term interest rate provided to a bank's most preferred customers with established low-risk credit histories, commercial banks typically add a spread ranging from 0.55 percent to 4 percent onto the rate for other customers, depending on their financial health.

In years in which Arinox and AST or its predecessor companies were creditworthy, we added the average of

[1] ''Arnokrome III'' is a trademark of the Arnold Engineering Company.

[2] ''Gilphy 36'' is a trademark of Imphy, S.A.

[3] ''Durphynox 17'' is a trademark of Imphy, S.A.

[4] This list of uses is illustrative and provided for descriptive purposes only.

[5] ''GIN4 Mo,'' ''GIN5'' and ''GIN6'' are the proprietary grades of Hitachi Metals America, Ltd.

that spread to the ABI rate to calculate a nominal benchmark rate. In years in which AST or its predecessor companies were uncreditworthy (*see* Creditworthiness section below), we calculated the discount rates in accordance with our methodology for constructing a long-term interest-rate benchmark for uncreditworthy companies. (Arinox was not alleged to be uncreditworthy.) Specifically, we added to the ABI rate a spread of four percent in order to reflect the highest commercial interest rate available to companies in Italy. We added to this rate a risk premium equal to 12 percent of the ABI, as described in section 355.44(b)(6)(iv) of our 1989 Proposed Regulations (*see Countervailing Duties; Notice of Proposed Rulemaking and Request for Public Comment,* 54 FR 23366, 23374 (May 31, 1989) (*1989 Proposed Regulations*)). While the 1989 Proposed Regulations are not controlling, they do represent the Department's practice for purposes of this investigation.

Additionally, information on the record of this case indicates that published ABI rates do not include amounts for fees, commissions and other borrowing expenses. Because such expenses raise the effective interest rate that a company would experience, and because it is our practice to use effective interest rates, where possible, we have included an amount for these expenses in the calculation of our effective benchmark rates (*see* section 355.44(b)(8) of the *1989 Proposed Regulations* and *Final Affirmative Countervailing Duty Determination: Certain Pasta from Turkey,* 61 FR 30366, 30373 (June 14, 1996)). While we do not have information on the expenses that would be applied to long-term commercial loans, the GOI supplied information on the borrowing expenses on overdraft loans as an approximation of expenses on long-term commercial loans. This information shows that expenses on overdraft loans range from 6 to 11 percent of interest charged. Accordingly, we increased the nominal benchmark rate by 8.5 percent, which represents the average reported level of borrowing expenses, to arrive at an effective benchmark rate.

Allocation Period: In the past, the Department has relied upon information from the U.S. Internal Revenue Service (IRS) for the industry-specific average useful life of assets in determining the allocation period for non-recurring subsidies. *See* the General Issues Appendix (GIA), attached to the *Final Affirmative Countervailing Duty Determination: Certain Steel Products from Austria,* 58 FR 37217, 37227 (July 9, 1993) (*Certain Steel from Austria*). In *British Steel plc* v. *United States,* 879 F. Supp. 1254 (CIT 1995) (*British Steel I*), the U.S. Court of International Trade (CIT) held that the IRS information did not necessarily reflect a reasonable period based on the actual commercial and competitive benefit of the subsidies to the recipients. In accordance with the CIT's remand order, the Department calculated a company-specific allocation period for non-recurring subsidies based on the average useful life (AUL) of non-renewable physical assets. This remand determination was affirmed by the court in *British Steel plc* v. *United States,* 929 F. Supp. 426, 439 (CIT 1996) (*British Steel II*). In recent countervailing duty investigations, it has been our practice to follow the court's decision in *British Steel II* and to calculate a company-specific allocation period for all countervailable non-recurring subsidies.

After considering parties' comments and based upon our analysis of the data submitted by AST regarding the AUL of its assets, we are using a 12-year AUL for AST. This 12-year AUL is based on information in *Wire Rod from Italy,* 63 FR at 40477, and in the *Preliminary Determination,* 63 FR at 63903, which we find to be a good estimate of the AUL of the Italian stainless steel industry. For an explanation of why we have rejected AST's company-specific AUL, *see* our response to Comment 6. For Arinox, we are using its company-specific AUL, which is also 12 years.

Equityworthiness

In measuring the benefit from a government equity infusion, the Department compares the price paid by the government for the equity to a market benchmark, if such a benchmark exists. In this case, a market benchmark does not exist. Therefore, we examined whether AST's predecessors were equityworthy in the years they received infusions. *See Final Affirmative Countervailing Duty Determination: Steel Wire Rod From Trinidad and Tobago,* 62 FR 50003, 50004 (October 22, 1997). In analyzing whether a company is equityworthy, the Department considers whether that company could have attracted investment capital from a reasonable private investor in the year of the government equity infusion, based on information available at that time. *See* GIA, 58 FR at 37244. Our review of the record has not led us to change our finding from that in *Wire Rod from Italy,* in which we found AST's predecessors unequityworthy from 1986 through 1988 and from 1991 through 1992 (63 FR 40477). The petitioners did not allege in the petition that Arinox received GOI equity infusions; therefore, we did not examine Arinox's equityworthiness.

Consistent with our equity methodology described in the GIA, 58 FR at 37239, we consider equity infusions into unequityworthy companies as infusions made on terms inconsistent with the usual practice of a private investor and, therefore, we have treated these infusions as grants. This methodology is based on the premise that a finding by the Department that a company is not equityworthy is tantamount to saying that the company could not have attracted investment capital from a reasonable investor in the year of the infusion. This determination is based on the information available at the time of the investment.

Creditworthiness

When the Department examines whether a company is creditworthy, it is essentially attempting to determine if the company in question could obtain commercial financing at commonly available interest rates. *See, e.g., Final Affirmative Countervailing Duty Determinations: Certain Steel Products from France,* 58 FR 37304 (July 9, 1993); *Final Affirmative Countervailing Duty Determination: Steel Wire Rod from Venezuela,* 62 FR 55014 (October 21, 1997).

Terni, TAS and ILVA, AST's predecessor companies, were found to be uncreditworthy from 1986 through 1993 in *Final Affirmative Countervailing Duty Determination: Grain-Oriented Electrical Steel From Italy,* 59 FR 18357, 18358 (April 18, 1994) (*Electrical Steel from Italy*), and in *Wire Rod from Italy,* 63 FR at 40477. No new information has been presented in this investigation that would lead us to reconsider these findings. (*See* Comment 14 below regarding the issue of AST's creditworthiness in 1993.) Therefore, consistent with our past practice, we continue to find Terni, TAS, and ILVA uncreditworthy from 1986 through 1993. *See, e.g., Final Affirmative Countervailing Duty Determinations: Certain Steel Products from Brazil,* 58 FR 37295, 37297 (July 9, 1993). We did not analyze AST's creditworthiness in 1994 through 1997 because AST did not negotiate new loans with the GOI or EC during these years. There was no allegation in the petition that Arinox was uncreditworthy; therefore, we did not analyze its creditworthiness.

I. Programs Determined To Be Countervailable

GOI Programs

A. Equity Infusions to Terni, TAS and ILVA

The facts pertaining to AST and its predecessor companies with respect to these equity infusions and our methodology have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15511–15512). Accordingly, we determine the estimated net benefit to be 0.99 percent *ad valorem* for AST. Arinox did not receive any GOI equity infusions.

B. Benefits From the 1988–90 Restructuring of Finsider [6]

The facts pertaining to AST and its predecessor companies with respect to restructuring benefits and our methodology have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15512). Accordingly, we determine the estimated net benefit to be 2.71 percent *ad valorem* for AST. Arinox did not receive any benefit under this program.

C. Debt Forgiveness: ILVA-to-AST [7]

As of December 31, 1993, the majority of ILVA's viable manufacturing activities had been incorporated separately (or ''demerged'') into either AST or ILVA Laminati Piani (ILP); ILVA Residua was primarily a shell company with liabilities far exceeding assets, although it did contain some operating assets which it spun off later. In contrast, AST and ILP, now ready for sale, had operating assets and relatively modest debt loads.

We determine that AST (and consequently the subject merchandise) received a countervailable subsidy in 1993 when the bulk of ILVA's debt was placed in ILVA Residua, rather than being proportionately allocated to AST and ILP. The amount of debt that should have been attributable to AST but was instead placed with ILVA Residua was equivalent to debt forgiveness for AST at the time of its demerger. In accordance with our past practice, debt forgiveness is treated as a grant which constitutes a financial contribution under section 771(5)(D)(i) of the Act and provides a benefit in the amount of the debt forgiveness. Because the debt forgiveness was received only by privatized ILVA operations, we determine that it is specific under section 771(5A)(D) of the Act.

In the *Preliminary Determination,* 63 FR at 63904, the amount of liabilities that we attributed to AST was based on the EC's 9th Monitoring Report of the total cost of the liquidation process to the GOI. However, for this final determination, we have re-examined our methodology and determined that it is more appropriate to base our calculation on the gross liabilities left behind in ILVA Residua. *See* our response to Comment 9 and the March 19, 1999, Memorandum to Richard W. Moreland on the 1993 Debt Forgiveness.

In calculating the amount of unattributable liabilities remaining after the demerger of AST, we started with the most recent ''total comparable indebtedness'' amount from the 10th Monitoring Report, which represents the indebtedness, net of debts transferred in the privatizations of ILVA Residua's operations and residual asset sales, of a theoretically reconstituted, pre-liquidation ILVA. In order to calculate the total amount of unattributed liabilities which amount to countervailable debt forgiveness, we made the following adjustments to this figure: for the residual assets that had not actually been liquidated as of the 10th and final Monitoring Report (*see* Comment 13); for assets that comprised SOFINPAR, a real estate company, because these assets were sold prior to the demergers of AST and ILP; for the liabilities transferred to AST and ILP; income received from the privatizations of ILVA Residua's operations; for the amount of the asset write-downs specifically attributable to AST, ILP, and ILVA Residua companies; and for the amount of debts transferred to Cogne Acciai Speciali (CAS), an ILVA subsidiary that was left behind in ILVA Residua and later spun off, as well as the amount of ILVA debt attributed to CAS and countervailed in *Wire Rod from Italy,* 63 FR at 40478. *See* May 19, 1999, Calculation Memorandum and our responses to Comments 9–15 below for further information on our calculation methodology.

The amount of liabilities remaining represents the pool of liabilities that are not individually attributable to specific ILVA assets. We apportioned this debt to AST, ILP, and operations sold from ILVA Residua based on their relative asset values. We used the total consolidated asset values reported in AST's and ILP's December 31, 1993, financial results and used the sum of purchase price plus debts transferred as a surrogate for the asset value of the operations sold from ILVA Residua. Because we subtracted a specific amount of ILVA's gross liabilities attributed to CAS in *Wire Rod from Italy,* we did not include its assets in the amount of ILVA Residua's privatized assets. Also, consistent with our *Preliminary Determination,* we did not include in ILVA Residua's viable assets the assets of the one ILVA Residua company sold to IRI because this sale does not represent a sale to a non-governmental entity.

We treated the debt forgiveness to AST as a non-recurring grant because it was a one-time, extraordinary event. The discount rate we used in our grant formula included a risk premium based on our determination that ILVA was uncreditworthy in 1993 (*see* Comment 14 below and March 19, 1999, Memorandum on the Appropriate Basis for 1993 Creditworthiness Analysis of AST). We followed the methodology described in the Change in Ownership section above to determine the amount appropriately allocated to AST after its privatization. (The change in the total amount of debt forgiveness attributed to AST from the *Plate Final* changes the total percent of subsidies repaid in the 1994 privatization calculations. The change in this ratio affects the amount of subsidies repaid to the GOI for all programs which pass through this calculation.) We divided this amount by AST's total consolidated sales during the POI. Accordingly, we determine the estimated net benefit to be 6.79 percent *ad valorem* for AST. Arinox did not receive any benefits under this program.

D. Law 796/76: Exchange Rate Guarantees

The facts pertaining to AST with respect to Law 796/76 exchange-rate guarantees and our methodology have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15513). Accordingly, we determine the estimated net benefit to AST for this program to be 0.82 percent *ad valorem.* Arinox did not receive any benefits under this program.

E. Law 675/77

The facts pertaining to AST with respect to Law 675/77 benefits and our methodology have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15513). Accordingly, we determine the estimated net benefit from this program to be 0.07 percent *ad valorem* for AST. Arinox did not receive any benefits under this program.

[6] This program was referred to as Debt Forgiveness: Finsider-to-ILVA Restructuring in *Initiation of Countervailing Duty Investigations: Stainless Steel Plate in Coils from Belgium, Italy, the Republic of Korea, and the Republic of South Africa,* 63 FR 23272 (April 28, 1998) (*Initiation Notice*).

[7] Includes the following programs from the *Initiation Notice*: Working Capital Grants to ILVA, 1994 Debt Payment Assistance by IRI, and ILVA Restructuring and Liquidation Grant.

F. Law 10/91

The facts pertaining to AST with respect to Law 10/91 benefits and our methodology have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15514). Accordingly, we determine the estimated net benefit in the POI for AST to be 0.00 percent *ad valorem.* Arinox did not receive any benefits under this program.

G. Pre-Privatization Employment Benefits (Law 451/94)

Law 451/94 was created to conform with EC requirements on government assistance related to restructuring and capacity reduction in the Italian steel industry. Law 451/94 was passed in 1994 and enabled the Italian steel industry to implement workforce reductions by allowing steel workers to retire early. During the 1994–1996 period, Law 451/94 provided for the early retirement of up to 17,100 Italian steel workers. Benefits applied for during the 1994–1996 period continue until the employee reaches his/her natural retirement age, up to a maximum of ten years. Employees at both AST and Arinox received payments under Law 451 during the POI.

In the *Plate Final* and the *Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination: Stainless Steel Plate in Coils from Italy,* 63 FR 47246 (September 4, 1998) (*Plate Preliminary*), the Department determined that the early retirement benefits provided under Law 451/94 are a countervailable subsidy under section 771(5) of the Act. Law 451/94 provides a financial contribution, as described in section 771(5)(D)(i) of the Act, because it relieves the company of costs it would have normally incurred. Also, because Law 451/94 was developed for and exclusively used by the steel industry, we determined that Law 451/94 is specific within the meaning of section 771 (5A)(D) of the Act.

In the *Plate Preliminary,* we used the Cassa Integrazione Guadagni—Extraordinario (''CIG–E'') program as our benchmark to determine what the obligations of Italian steel producers would have been when laying off workers. We compared the costs the steel companies would incur to lay off workers under the CIG–E program to the costs they incurred in laying off workers under Law 451/94. We found that the steel companies received a benefit by virtue of paying less under Law 451/94 than what they would have paid under CIG–E.

In the preliminary determination of the instant proceeding, 63 FR at 63908, we changed our benchmark because record evidence suggested that the CIG–E program applied in situations where the laid-off workers were expected to return to their jobs after the layoff period. Since the workers retiring early under Law 451/94 were separated permanently from their company, we adopted the so-called ''Mobility'' provision as our benchmark. Like Law 451/94, the Mobility provision addressed permanent separations from a company.

Since then, we have learned more about the GOI's unemployment programs under Law 223/91 (including CIG–E and Mobility) and the early retirement program under Law 451/94. Based on this information, we do not believe that any of the alternatives described under Law 223/91 provides a benchmark *per se* for the costs that AST and Arinox would incur in the absence of Law 451/94. As noted above, the CIG–E program addresses temporary layoffs. The Mobility provision serves merely to identify the minimum payment the company would incur when laying workers off permanently. Under the Mobility provision, the company is first directed to attempt to negotiate a settlement with the unions prior to laying workers off permanently. Only if the negotiations fail will the company face the minimum payment required under Mobility.

Recognizing that Arinox and AST would be required to enter into negotiations with the unions before laying off workers, the difficult issue for the Department is to determine what the outcome of those negotiations might have been absent Law 451/94. At one extreme, the unions might have succeeded in preventing any layoffs. If so, the benefit to the companies would be the difference between what it would have cost to keep those workers on the payroll and what the companies actually paid under Law 451/94. At the other extreme, the negotiations might have failed and both companies would have incurred only the minimal costs described under Mobility. Then the benefit to AST and Arinox would have been the difference between what they would have paid under Mobility and what they actually paid under Law 451/94.

We have no basis for believing either of these extreme outcomes would have occurred. It is clear that AST and Arinox sought to layoff workers. However, we do not believe that the companies would simply have fired the workers without reaching accommodation with the unions. Statements by GOI officials at verification indicated that failure to negotiate a separation package with the union would lead to labor unrest, strikes, and lawsuits. Therefore, we have proceeded on the basis that AST and Arinox's early retirees would have received some support from the companies.

In attempting to determine the level of post-employment support that AST and Arinox would have negotiated with their unions, we looked to the companies' own experiences. As we learned at verification, by the end of 1993, AST had established a plan for the termination of redundant workers (as part of an overall ILVA plan). Under this plan, the early retirees would first be placed on CIG–E as a temporary measure and then they would receive benefits under Law 451/94. According to AST officials, the temporary measure was needed because ''they were waiting for the passage of the early retirement program under Law 451/94, which at the time had not been implemented by the GOI.'' Similarly, Arinox placed workers on the mobility program while waiting to enroll in the Law 451/94 early retirement program.

The evidence on the record indicates that at the time agreement was reached with the unions on the terms of the layoffs, the companies and their workers were aware that benefits would be made available under Law 451/94. In such situations, *i.e.,* where the company and its workers are aware at the time of their negotiations that the government will be making contributions to the workers' benefits, the Department's practice is to treat half of the amount paid by the government as benefiting the company. *See* GIA, 58 FR at 37225. In the GIA, the Department stated that when the government's willingness to provide assistance is known at the time the contract is being negotiated, this assistance is likely to have an effect on the outcome of the negotiations. In these situations, the Department will assume that the difference between what the workers would have demanded and what the company would have preferred to have paid would have been split between the parties, with the result that one-half of the government payment goes to relieving the company of an obligation that would exist otherwise. *See* GIA, 58 FR at 37256. This methodology was upheld in *LTV Steel Co.* v. *United States,* 985 F. Supp. 95, 116 (CIT 1997) (*LTV Steel*).

Therefore, with respect to AST, Arinox and their workers, we determine the following: (1) Under Italian Law

223/91, both companies would have been required to negotiate with their unions about the level of benefits that would be made to workers separated permanently from the company, and (2) since AST, Arinox, and their unions were aware at the time of their negotiations that the GOI would be making payments to those workers under Law 451/94, the benefit to AST and Arinox is one half of the amount paid to the workers by the GOI under Law 451/94. *See* Memorandum to Susan H. Kuhbach on Law 451/94—Early Retirement Benefits dated May 19, 1999.

Consistent with practice, we have treated benefits to AST and Arinox under Law 451/94 as recurring grants expensed in the year of receipt. *See* GIA, 58 FR at 37226. To calculate the benefit received by the companies during the POI, we multiplied the number of employees who were receiving early retirement benefits during the POI by the average salary. In the case of AST, the Department had information specifying salary amounts by worker type, so we applied this average instead of a broader salary average. *See Plate Final,* 64 FR at 15515. Since the GOI was making payments to these workers equaling 80 percent of their salary, and one-half of that amount was attributable to AST and Arinox, we multiplied the total wages of the early retirees during the POI by 40 percent. We then divided this total amount by total consolidated sales during the POI. On this basis, we determine the estimated net benefit during the POI to AST to be 0.69 percent and Arinox 0.57 percent *ad valorem.*

H. Law 181/89: Worker Adjustment and Redevelopment Assistance [8]

The facts pertaining to AST with respect to Law 181/89 benefits and our methodology have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15515). Consequently, we determine the estimated net benefit to AST in the POI for this program to be 0.00 percent *ad valorem.* Arinox did not receive any benefits under this program.

I. Law 488/92

Law 488/92 provides grants for industrial projects in depressed regions of Italy. The subsidy amount is based on the location of the investment and the size of the enterprise. The funds used to pay benefits under this program are derived in part from the GOI and in part from the Structural Funds of the European Union (EU). To be eligible for benefits under this program, the enterprise must be located in one of the regions in Italy identified as EU Structural Funds Objective 1, 2 or 5b.

We determine that this program constitutes a countervailable subsidy within the meaning of section 771(5) of the Act. The grants are a financial contribution under section 771(5)(D)(i) of the Act providing a benefit in the amount of the grant. Because assistance is limited to enterprises located in certain regions, we determine that the program is specific under section 771(5A)(D) of the Act.

According to AST officials, although the company has applied for aid under this program, no approval has yet been granted and no funds have yet been disbursed. Accordingly, we determine the estimated net benefit to AST to be 0.00 percent *ad valorem.*

Under this program during the POI, Arinox received one grant, disbursed in two portions. We have treated benefits under this program as non-recurring because each grant requires separate government approval. The benefit to Arinox was calculated as the sum of the two portions provided. Because this sum is greater than 0.5 percent of Arinox's sales, we allocated the benefit over Arinox's AUL. We divided the benefit allocated to the POI by Arinox's total sales during the POI. Accordingly, we determine the estimated net benefit to Arinox to be 0.12 percent *ad valorem.*

EU Programs

A. ECSC Article 54 Loans

The facts pertaining to AST with respect to ECSC Article 54 loan benefits and our methodology have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15515). Accordingly, we determine the estimated net benefit to AST to be 0.11 percent *ad valorem.* Arinox did not have any outstanding Article 54 loans during the POI.

B. European Social Fund

The European Social Fund (ESF), one of the Structural Funds operated by the EU, was established to improve workers' opportunities through training and to raise workers' standards of living throughout the European Community by increasing their employability. 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 restructuring, Objective 5 pertains to agricultural areas, and Objective 6 pertains to regions with very low population (*i.e.,* the far north).

During the POI, AST received ESF assistance for projects falling under Objectives 2 and 4, and Arinox received assistance under Objective 2. In the case of AST, the Objective 2 funding was to retrain production, mechanical, electrical maintenance, and technical workers, and the Objective 4 funding was to train AST's workers to increase their productivity. The grants Arinox received were for worker training.

The Department considers worker-training programs to provide a countervailable benefit to a company when the company is relieved of an obligation it would have otherwise incurred. *See Final Affirmative Countervailing Duty Determination: Certain Pasta (''Pasta'') From Italy,* 61 FR 30287, 30294 (June 14, 1996) (*Pasta From Italy*). Since companies normally incur the costs of training to enhance the job-related skills of their own employees, we determine that this ESF funding relieves AST and Arinox of obligations they would have otherwise incurred.

Therefore, we determine that the ESF grants received by AST and Arinox are countervailable within the meaning of section 771(5) of the Act. The ESF grants are a financial contribution as described in section 771(5)(D)(i) of the Act which provide a benefit to the recipient in the amount of the grants.

Consistent with prior cases, we have examined the specificity of the funding under each Objective separately. *See Wire Rod from Italy,* 63 FR at 40487. In this case, the Objective 2 grants received by AST and Arinox were funded by the EU, the GOI, the regional government of Umbria acting through the provincial government of Terni for AST, and the regional government of Liguria for Arinox. In *Pasta From Italy,* 61 FR at 30291, the Department determined that Objective 2 funds provided by the EU and the GOI were regionally specific because they were limited to areas within Italy which are in industrial decline. No new information or evidence of changed circumstances has been submitted in this proceeding to warrant reconsideration of this finding. The provincial government of Terni and regional government of Liguria did not provide information on the distribution of their grants under Objective 2. Therefore, since the regional governments failed to cooperate to the best of their ability by not supplying the requested information on the distribution of grants under Objective 2, we are assuming, as adverse facts

[8] Includes the Decree Law 120/89: Recovery Plan for Steel Industry program contained in *Initiation Notice.*

available under section 776(b) of the Act, that the funds provided by the governments of Terni and Liguria are specific.

In the case of Objective 4 funding, the Department has determined in past cases that the EU portion is *de jure* specific because its availability is limited on a regional basis within the EU. The GOI funding was also determined to be *de jure* specific because eligibility is limited to the center and north of Italy (non-Objective 1 regions). *See Wire Rod from Italy,* 63 FR at 40487. AST has argued that this decision is not reflective of the fact that ESF Objective 4 projects are funded throughout Italy and all Member States, albeit under the auspices of separate, regionally limited documents (*see* Comment 16). We agree with AST that it may be appropriate for us to revisit our previous decision regarding the *de jure* specificity of assistance distributed under the ESF Objective 4 Single Programming Document (SPD) in Italy. Our decision in *Wire Rod from Italy* was premised upon our determination in the *Final Affirmative Countervailing Duty Determination; Certain Fresh Atlantic Groundfish from Canada,* 51 FR 10055 (March 24, 1986) (*Groundfish from Canada*). In that case, respondents argued that benefits provided under the General Development Agreement (GDA) and Economic and Regional Development Agreements (ERDA) were not specific because the federal government had negotiated these agreements with every province. We did not accept this argument because the GDAs and ERDAs ''do not establish government programs, nor do they provide for the administration and funding of government programs.'' Instead, the Department analyzed the specificity of the ''subsidiary agreements'' negotiated individually under the framework of the GDA and ERDA agreements.

In contrast to *Groundfish from Canada,* 51 FR at 10066, the agreements negotiated between the EU and the Member States (*i.e.,* Single Programming Documents and Community Support Frameworks) both establish government programs and provide for the administration and funding of such programs throughout the entirety of the European Union. Therefore, if we were to consider all the EU-Member State agreements together, we would arguably be unable to determine that the program is *de jure* specific.

Notwithstanding this argument, given the lack of information on the use of Objective 4 funds by either the EC or GOI, we must, as adverse facts available in the instant case, find the aid to be *de facto* specific. Both the EC and GOI stated that they were unable to provide us with the industry and region distribution information for each Objective 4 grant in Italy despite requests in our questionnaires and at verification. While the GOI, at verification, provided a list of grantees that received funds under the multiregional operating programs in non-Objective 1 regions, it declined the opportunity to identify the industry and region of such grantees (*see* February 3, 1999, memorandum on the Results of Verification of the GOI at 16). Furthermore, the regional governments have refused to cooperate to the best of their ability in this investigation despite our requests. Therefore, we continue to find that the aid received by AST is specific.

The Department normally considers the benefits from worker-training programs to be recurring. *See* GIA, 58 FR at 37255. However, consistent with our determination in *Wire Rod from Italy,* 63 FR at 40488, that these grants relate to specific, individual projects, we have treated these grants as non-recurring grants because each required separate government approval.

Because the amount of funding for each of AST's projects was less than 0.5 percent of AST's sales in the year of receipt, we have expensed these grants received in the year of receipt. Two of AST's grants were received during the POI. For these grants, we divided this benefit by AST's total sales during the POI and calculated an estimated net benefit of 0.01 percent *ad valorem* for ESF Objective 2 funds and 0.03 percent *ad valorem* for ESF Objective 4 funds. In the case of Arinox, since the amount of ESF Objective 2 funding was more than 0.5 percent of Arinox's sales in the year of receipt, we have allocated these grants over Arinox's AUL. We divided the benefit allocated to the POI by Arinox's total sales during the POI. Accordingly, we determine the estimated net benefit to Arinox for this program to be 0.34 percent *ad valorem.*

II. Programs Determined To Be Not Countervailable

A. AST's Participation in the THERMIE Program

The facts pertaining to the THERMIE program and our analysis of that program have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15517).

IV. Other Programs Examined

A. Loan to KAI for Purchase of AST

The facts pertaining to the loan to KAI for the purchase of AST have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15517). Using even the most adverse of assumptions, the estimated net benefit to AST for this program would be 0.00 percent *ad valorem,* when rounded. Therefore, we find it unnecessary to analyze this program.

B. Brite-EuRam

The facts pertaining to the Brite-EuRam program have not changed since the *Plate Final.* Please see that notice for a full explanation (64 FR at 15517–15518). Consistent with the *Plate Final,* we are not making a determination on the countervailability of the Brite-EuRam program in this proceeding. Should an order be put in place, however, we will solicit information on the Brite-EuRam program in a future administrative review, if one is requested. *See* 19 CFR 351.311(c)(2).

V. Programs Determined To Be Not Used

GOI Programs

A. Benefits from the 1982 Transfer of Lovere and Trieste to Terni (called ''Benefits Associated With the 1988–90 Restructuring'' in the *Initiation Notice*)
B. Law 345/92: Benefits for Early Retirement
C. Law 706/85: Grants for Capacity Reduction
D. Law 46/82: Assistance for Capacity Reduction
E. Debt Forgiveness: 1981 Restructuring Plan
F. Law 675/77: Mortgage Loans, Personnel Retraining Aid and VAT Reductions
G. Law 193/84: Interest Payments, Closure Assistance and Early Retirement Benefits
H. Law 394/81: Export Marketing Grants and Loans
I. Law 341/95 and Circolare 50175/95
J. Law 227/77: Export Financing and Remission of Taxes

EU Programs

A. ECSC Article 56 Conversion Loans, Interest Rebates and Redeployment Aid
B. European Regional Development Fund
C. Resider II Program and Successors
D. 1993 EU Funds

Interested Party Comments

Comment 1: The Extinguishment v. Pass-Through of Subsidies during Privatization

The facts at hand regarding this issue, parties' arguments, and our response to those arguments have not changed since

the *Plate Final.* Please see that notice for a full explanation (Comment 1, 64 FR at 15518–15519).

Comment 2: Calculation of ''Gamma''

The facts at hand, parties'' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 2, 64 FR at 15519).

Comment 3: Calculation of the Purchase Price

AST argues that the Department undervalued the subsidies repaid in the preliminary determination by basing the purchase price only on the cash paid for the company. Instead, AST suggests that the purchase price should also include the debt assumed by the purchasers as part of the sales transaction.

AST maintains that including assumed debt in the purchase price is appropriate because buyers and sellers are indifferent as to the mix of cash paid and debt assumed; a dollar of debt assumed, AST argues, is equivalent to a dollar of cash paid. If the buyers of ILVA's stainless division had offered only the cash portion of their offer and had not agreed to assume the debt, AST contends that their bid would not have been accepted.

To support its argument, AST offers the example of purchasing a house with an assumable mortgage. A person wanting to buy the house, according to AST, has several financing options: (1) Paying cash for the total sales price, (2) paying a down payment for some portion of the sales price and obtaining a new mortgage on the balance, or (3) assuming the existing mortgage and paying cash for the balance. AST states that, in all cases, the purchase price of the home remains the same.

Moreover, AST contends, by not including assumed debt in the purchase price, the Department's privatization methodology for determining the amount of subsidies repaid will render different results depending upon the mix of assumed debt and cash required in a particular purchase.

The petitioners counter by stating that the cash price paid for a company already reflects the liabilities in that the price paid is the valuation by the buyer of the company as a whole, including assumed liabilities. In addition, the petitioners claim that it is the Department's well-established practice not to add assumed liabilities to the purchase price citing *Final Affirmative Countervailing Duty Determination: Steel Wire Rod from Germany,* 62 FR 55490, 55001 (October 22, 1997) (*Wire Rod from Germany*), and *Final Affirmative Countervailing Duty Determination: Steel Wire Rod from Canada,* 62 FR 54972, 54986 (October 22, 1997) (*Wire Rod from Canada*), as two cases in which the Department declined expressly to make an upwards adjustment to price to account for assumed liabilities/obligations. In looking at AST's example of a home purchased with an assumable mortgage, the petitioners point out that the value of that home to the buyer is the net equity position-the difference between the value of the home and the mortgage. Additionally, the petitioners point out that the seller of the home only receives the amount of equity in the home and not the full market value.

Department's Position: For purposes of this final determination, we have continued to calculate the purchase price as the amount of cash received and have not included the amount of debt assumed by the purchasers of AST. As noted by petitioners, it has not been the Department's practice to include assumed debt as part of the purchase price in calculating the amount of subsidies that are repaid through a privatization transaction (*see* cases cited by petitioners). Moreover, beyond its mere assertion that buyers and sellers are indifferent as to the mix of cash paid and debt assumed, AST has not provided any information to support its claim that cash paid and debt assumed by the buyer are interchangeable. *See also* our response to Comment 3 in the *Plate Final* (64 FR at 15520).

Comment 4: Repayment in Spin-Off Transactions

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 4, 64 FR at 15520).

Comment 5: Sale of a Unit to a Government Agency

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 5, 64 FR at 15520).

Comment 6: Use of Company-Specific AUL

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 6, 64 FR at 15521).

Comment 7: Revision of AST's Volume and Value Data

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 7, 64 FR at 15521–15522).

Comment 8: Ratio Adjusting the Benefit Stream for the Sale of AST

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 8, 64 FR at 15522).

Comment 9: Use of Gross Versus Net Debt in 1993 Debt Forgiveness Calculation

AST argues that the record of this case establishes a precise amount that represents the ''actual cost to the GOI'' for the liquidation of ILVA, based on the EC's strict monitoring. Assuming that the Department countervails these costs, AST argues that the Department cannot consider the benefit to the recipients to be larger than the amount calculated by the EC as the actual cost to the GOI.

AST states that, in past cases, such as *Al Tech Specialty Steel Corp.* v. *United States,* 661 F. Supp. 1206, 1213 (CIT 1987), the Department concluded that it would be inappropriate to look behind the action of a tribunal charged with the administration of a liquidation process. AST states that the GOI would have been subject to significant legal penalty had it failed to abide by the requirements of the EC-supervised liquidation. Thus, AST implicitly argues that the Department should accept the amount of remaining debt calculated by the EC, without examining the underlying calculation of this remaining debt figure.

Furthermore, AST asserts that, because buyers should be indifferent to the mix of cash paid and debts assumed in purchasing a company, the Department's methodology inappropriately attributes a greater amount of debt forgiveness to a company whose buyers assume less debt but pay a higher cash price. In fact, claims AST, if the GOI had paid down the same amount of ILVA's liabilities calculated as uncovered in the EC's Monitoring Reports prior to the liquidation process, each of the companies could have been ''sold'' entirely for a transfer of debt (*i.e.,* no cash transfer) in the amount of transferred assets. In this event, AST argues, there would be no residual debt and the Department's methodology

would lead it to countervail only the grant given prior to the liquidation process.

The petitioners state that the Department, consistent with its practice, should consider the total amount of ILVA's liabilities and losses forgiven on behalf of AST at the time of its spin-off as the benefit to AST. *See, e.g., Electrical Steel from Italy,* 59 FR at 18365, and *Certain Steel from Austria,* 58 FR at 37221. The petitioners assert that the income received as a result of the sales of ILVA's productive units should not be deducted from the gross amount of ILVA's losses and liabilities for three reasons. First, the petitioners argue, the debt forgiveness occurred prior to the actual sales of ILVA's productive units and, thus, should be treated separately. Second, the petitioners contend, the amount of income at the time of the sales was greater than it would have been without the debt reduction. Finally, according to the petitioners, the Department's change-in-ownership methodology accounts separately for repayment of prior subsidies associated with the purchase price of the company sold.

Department's Position: We disagree with AST that we are precluded from ''looking behind'' the EC's Monitoring Report. While the EC's Monitoring Report is a useful source of information about the liquidation of ILVA, the methodologies the EC uses to measure and report amounts associated with the liquidation may not be appropriate for our purposes, *i.e.,* for identifying and measuring the countervailable benefit to AST from the GOI liquidation activities. For example, we could not rely on calculations based on the cost to the government rather than the benefit to the recipient.

As we understand AST's argument, rather than carry out the liquidation of ILVA and privatization of ILVA's constituent parts as it did, the GOI could simply have forgiven the ILVA Group's debt up to the point where assets equaled liabilities (and the Group's net equity was zero). In turn, each of the constituent parts of ILVA could be ''sold'' with assets equal to liabilities at a price of zero. Under this scenario, the total countervailable subsidy under the Department's methodology would clearly be the amount of debt forgiven, which corresponds to the amount in the EC's Monitoring Report. However, because the privatization was structured so that ILVA's constituent parts took certain liabilities with them when they were privatized and because the Department does not include debt assumed as part of the purchase price, the amount of the debt forgiveness and, consequently, the amount of the subsidy the Department found was vastly larger that the amount in the EC's Monitoring Report. In AST's view, this anomaly should be addressed by treating the amount of debt forgiveness reported by the EC as a grant to the new companies (and, hence, not passing through the change-in-ownership calculation), while the debt assumed by the purchasers should be included in the purchase price in calculating the amount of old subsidies that are repaid through privatization.

As discussed above in response to Comment 3, the Department's practice is not to include debt assumed by the buyer as part of the purchase price, and AST has not supported its assertion that buyers and sellers would be indifferent as to the mix of cash paid and debt assumed. *See also* our response to Comment 3 in the *Plate Final* (64 FR at 15520). Without support for this premise, we believe that AST's proposed methodology measures the cost to the Government of Italy of liquidating ILVA and not the benefit to AST resulting from the assignment and forgiveness of debt involved in the AST's demerger.

Comment 10: 1993 Debt Forgiveness Apportionment

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 10, 64 FR at 15523).

Comment 11: ILVA Residua Asset Value

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 11, 64 FR at 15523).

Comment 12: Use of Consolidated Asset Values for 1993 Debt Forgiveness Calculation

The facts at hand, parties' arguments regarding this issue and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 12, 64 FR at 15523–15524).

Comment 13: ILVA to AST Debt-Forgiveness Methodology

AST argues that, if the Department maintains the debt-forgiveness methodology it used in the *Plate Final*, it should make certain adjustments to its calculation to improve its accuracy. Specifically, AST asserts that the Department's methodology overstates the amount of liabilities assigned to AST as debt forgiveness by understating both the amount of residual assets liquidated and the amount of liabilities that were transferred in the privatization of ILVA Residua's operations. AST claims that the Department can correct both of these errors by basing its calculation on the ''total comparable indebtedness'' as calculated in the EC 10th Monitoring Report rather than ILVA Residua's 1993 financial statement.

Although the Department declined to make the requested adjustments as clerical-error corrections in the *Plate Final*, AST asserts that additional information exists on the record of the instant case that would allow the Department to make the requested adjustments in the final determination. Specifically, AST states that the Department's May 6, 1999, Memorandum to File, detailing a telephone conversation between Department personnel and the EC official who was in charge of compiling the Monitoring Reports, provides definitive support to make the requested changes. AST asserts that this telephone conversation confirmed that the Department did not take into account additional, ''non-financial'' (*e.g.,* accounts payable, accruals), liabilities that were transferred to the companies privatized from ILVA Residua, and that certain other residual assets, other than just liquid assets, were sold in the liquidation process. AST states that the EC official also confirmed that the Monitoring Report methodology accounts for both of these issues. Furthermore, while AST admits that the Department in past cases has only reduced the remaining liability pool by liquid assets, AST states that this was because it was not known whether any other assets had value. However, in this case, AST asserts, the Department has information on the value of all residual assets in the EC's Monitoring Reports. Despite the petitioners' claims in the *Plate Final*, AST submits that the Department did not specifically reject the use of the Monitoring Reports in the *Plate Final* but rather ''re-examined'' its methodology with regard to a different issue, the use of gross versus net debt (discussed in Comment 9).

The petitioners argue that the Department should not alter its calculation of the 1993 debt forgiveness adopted in the *Plate Final* because the suggested changes are not supported by record evidence, are based on events that happened after the 1993 demerger, and contain other errors. The petitioners contend that the Department found, in its May 4, 1999, Memorandum on Ministerial Errors in the *Plate Final*, that

the Monitoring Reports did not support the changes suggested by AST. Thus, the EC official's ''mere references'' to this report supporting AST's alleged errors in the May 6 telephone conference does not provide ''definitive proof of AST's claim,'' states the petitioners. Additionally, the petitioners argue that the amount of non-financial debts that were allegedly transferred with the privatized companies may have been influenced by changes in the amounts of such debt after the 1993 demergers. While the petitioners admit that, if actually transferred, it would be appropriate to deduct any of ILVA's non-financial debts, they argue that the record does not establish any such non-financial debts transferred as tied to pre-demerger ILVA. Continuing, the petitioners argue that at the time of AST's demerger, ILVA Residua's liquidators could only be assured that its liquid assets would sell at their stated value. The fact that certain fixed and capital assets were sold later is irrelevant to the Department's intent to calculate the debt forgiveness conferred at the moment of AST's demerger, the petitioners posit. The petitioners also contend that the Department already accounted for fixed-asset sales through its change-in-ownership methodology such that it would be inappropriate to deduct these sales from ILVA's total indebtedness. Last, petitioners argue that AST's proposed calculation methodology uses the 1998 rather than the 1993 ''total comparable indebtedness'' figure from the Monitoring Reports incorrectly, and that the amount AST subtracted for the pre-demerger sale of assets should be added rather than subtracted.

Department's Position: In contrast to the *Plate Final*, the record of the instant case confirms AST's assertion that a greater amount of liabilities than we accounted for in the *Plate Final* were actually transferred with ILVA Residua's privatized assets and that the ''total comparable indebtedness'' reported in the Monitoring Reports more accurately reflects the residual assets that were sold in liquidation than the amount of ''liquid assets'' we used in the *Plate Final*. We agree with AST that we did not reject the use of the Monitoring Reports in the *Plate Final* but rather changed our methodology to capture the debt-forgiveness benefit to AST by starting with the gross rather than the net debt (*see* our response to Comment 9). We also agree with AST that our typical practice of deducting only liquid assets from total liabilities left in a shell company is based on the presumption that the value of other residual assets is unknown and difficult to determine, and is likely to be far less than their book value. However, in this case, the Monitoring Reports provide an actual accounting of the liquidation process through June 1998. We note that 423 billion lire of non-liquid assets remained in ILVA Residua as of June 1998. Because we do not know what the actual value of these assets will be in liquidation, nor will there be any further monitoring of their liquidation by the EC (*see* May 6, 1999, Memorandum to File), we increased the indebtedness we allocated to ILVA's viable assets by this amount. Additionally, while it is possible that the composition of the non-financial debts transferred in the sales of ILVA's viable assets changed somewhat after the demergers of AST and ILP, there is no evidence on the record to indicate that such debts, which arise as a direct result of the operations of the business units privatized, would have changed dramatically over this time period.

We do not agree with the petitioners that our methodology is to calculate the amount of debt forgiveness as of the moment AST was demerged. While we have set the benefit stream to AST to begin with the demerger, we view AST's demerger as only one part of the process of liquidating ILVA. That process involved a series of actions, including the demergers of AST and ILP. If we were to look only at the assets and liabilities that had been disposed of by the time of AST's demerger, we would be ignoring much of the liquidation activity inappropriately. For example, CAS had not been sold as of the time of AST's demerger. Thus, under the petitioners' approach, subsidies which we assigned to CAS in *Wire Rod* would also be assigned to AST just because of the sequence of events.

We also disagree with the petitioners that we had accounted for the residual assets in question already in our change-in-ownership methodology. None of the residual assets at issue constitute ''productive units'' (*i.e.,* a collection of assets capable of generating sales and operating independently, *see GIA* at 37268). Therefore, application of the change-in-ownership methodology would be inappropriate. Instead, it is appropriate to net the liquidation value of these individual assets against residual liabilities in the same manner as liquid assets. Last, because the 1998 ''total comparable indebtedness'' provides a more accurate basis than the similar 1993 figure, we have used this as the starting point of our calculation.

While we have not altered our determination with regard to the issue of gross debt versus net debt, we can address both that issue and calculate a more accurate amount of debt forgiveness by using the final ''total comparable indebtedness'' figure reported in the 10th Monitoring Report as the starting point of our calculation. For an overview of our calculation methodology, *see ILVA to AST Debt Forgiveness* section above.

Comment 14: 1993 Creditworthiness

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 13, 64 FR at 15524).

Comment 15: ILVA Asset Write-Downs

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 14, 64 FR at 15524–15525).

Comment 16: ESF Objective 4 Specificity

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 15, 64 FR at 15525).

Comment 17: ESF Objective 3

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 16, 64 FR at 15525).

Comment 18: Law 10/91

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 17, 64 FR at 15525–15526).

Comment 19: Specificity of THERMIE

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 18, 64 FR at 15526).

Comment 20: Law 675 Bond Issues

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final*. Please see that notice for a full explanation (Comment 19, 64 FR at 15526).

Comment 21: 1988 Equity Infusion

The facts at hand, parties' arguments regarding this issue, and our response to

those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 20, 64 FR at 15526–15527).

Comment 22: Law 451/94

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 21, 64 FR at 15527).

Comment 23: Law 675/77—Worker Training Program

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 22, 64 FR at 15527–15528).

Comment 24: Law 796/76 Benefit Calculation

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 23, 64 FR at 15528).

Comment 25: AST's Brite-EuRam Grant

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 24, 64 FR at 15528).

Comment 26: ECSC Article 56 Aid

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 25, 64 FR at 15528).

Comment 27: ECSC Article 54 Loans

The facts at hand, parties' arguments regarding this issue, and our response to those arguments have not changed since the *Plate Final.* Please see that notice for a full explanation (Comment 26, 64 FR at 15528–15529).

Comment 28: Exclusion of Floor Plate from the Scope of the Investigation

AST requests that the Department exclude floor plate from the scope of the instant proceeding. AST argues that floor plate should not be included in the scope of this investigation because floor plate is not manufactured in the United States, it does not compete with any product manufactured in the United States or with imports of other covered products, and it is materially different from the other products subject to this investigation. Furthermore, AST argues that floor plate has only one end-use, which is as flooring material and it cannot be used for any other application that requires a smooth surface, as is a common requirement of end-uses of stainless steel. Lastly, AST argues that the Department has the inherent authority to exclude products from the scope of an investigation that are not included properly therein.

The petitioners object to AST's request to exclude floor plate from the scope of this investigation. The petitioners argue that floor plate falls clearly within the scope of this case. Furthermore, the petitioners cite *Melamine Institutional Dinnerware Products from the People's Republic of China,* 62 FR 1708 (January 13, 1997), as evidence of the Department's clear and consistent practice of examining the interests of the domestic industry in defining the scope of a case. The petitioners point out that numerous requests to exclude certain products from the scope have been considered and, where there was no interest on the part of the domestic industry, the petitioners have excluded such products from the scope as evidenced in the revisions to the initial scope definition set forth in the *Preliminary Determination.* The petitioners object to AST's argument that, in order for a product to remain within the scope, the domestic industry must be producing currently. The petitioners state that often products are included in the scope of an investigation because they are similar to and competitive with the domestic like product.

Department's Position: We disagree with AST. Despite AST's arguments, the scope as set forth in the *Preliminary Determination* covers merchandise described as floor plate if it is less than 4.75 in thickness. The scope specifically describes the subject merchandise as ''flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness' and notes further that ''[t]he subject sheet and strip may also be further processed (e.g., cold-rolled, polished aluminized, coated, etc.) provided that it maintains the specific dimensions of sheet and strip following such processing.'' *See Notice of Initiation of Countervailing Duty Investigations: Stainless Steel Sheet and Strip in Coils From France, Italy, and the Republic of Korea Notice of Initiation,* 63 FR 37521 (July 13, 1998). Additionally, the petitioners have objected to the exclusion of floor plate from the scope of the investigation. Furthermore, we have addressed this issue earlier. *See* Memorandum to the File regarding Scope Changes in *Stainless Steel Sheet and Strip in Coils from Korea, Italy and France,* dated December 14, 1998. Therefore, the Department has not amended the scope of the investigation to exclude stainless steel floor plate.

Comment 29: Termination of Investigation of Arinox

The petitioners argue that the Department should terminate its investigation of Arinox for failure to comply with the statute and agency regulations and, furthermore, the Department should assign Arinox the ''All Others'' rate. The petitioners object to the Department's acceptance of Arinox's information, given the company's failure to comply with the Department's instructions for submitting factual information. The petitioners point out that Arinox has consistently neglected to serve its responses on the petitioners and, by not enforcing the statutory requirement to serve interested parties with all information submitted, the Department has deprived the petitioners of the opportunity to submit comments on potential subsidies to Arinox. Moreover, the petitioners assert, by accepting the procedurally defective submissions of Arinox and calculating a *de minimis* subsidy rate in the *Preliminary Determination* based on those submissions, the Department would exclude Arinox from the scope of the countervailing duty order at the outset of this proceeding, thus precluding the petitioners from ever analyzing Arinox's data and the Department from assessing the potential countervailable benefits.

Arinox states that it is a small company and was unfamiliar with the process of serving its submissions on interested parties. Arinox argues that it has cooperated fully with the Department's investigation by providing information as requested. Arinox points out that, at verification, the company welcomed Department personnel and provided information requested in order to verify the information provided. Arinox argues that since it has cooperated fully in the investigation and the Department verified the information provided by the company, it would be inappropriately punitive to apply the ''All Others'' rate to Arinox. Finally, Arinox maintains that it is a fairly new company which has never been owned by the Italian government and the only programs in which it participated are small social programs which help depressed areas in Italy.

Department's Position: The Department recognizes the petitioners' concerns regarding the failure of Arinox to comply with the statutory requirement to serve all interested

parties with its responses to the Department's questionnaires in a timely fashion. However, the Department believes that Arinox, a *pro se* company, was operating in good faith and to the best of its ability in attempting to respond to the Department's requests for information. Although Arinox's responses to our questionnaires and other information were not served immediately upon the petitioners, it submitted this information in a timely fashion, was sufficiently complete so as to provide a reliable basis for our determination, was capable of being used without undue difficulty, and we provided it to the petitioners shortly before the preliminary determination. We conducted the verification of Arinox approximately three weeks later and verified the accuracy of Arinox's submissions. This three-week period provided the petitioners with a reasonable amount of time to make substantive comments regarding any potential subsidies to Arinox prior to verification. For these reasons and consistent with sections 782(c)(2) and (e) of the Act, the Department has continued to calculate a separate *ad valorem* subsidy rate for Arinox in this final determination.

Verification

In accordance with section 782(i) of the Act, we verified the information used in making our final determination. We followed standard verification procedures, including meeting with government and company officials, and examining relevant accounting records and original source documents. Our verification results are detailed in the public versions of the verification reports, which are on file in the Central Records Unit.

Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i) of the Act, we have calculated an individual rate for each company investigated. We determine that the total estimated net countervailable subsidy rate is 12.22 percent *ad valorem* for AST and 1.03 percent *ad valorem* for Arinox. The All Others rate is 12.09 percent, which is the weighted average of the rates for both companies.

In accordance with our *Preliminary Determination,* we instructed the U.S. Customs Service to suspend liquidation of all entries of stainless steel sheet and strip in coils from Italy, which were entered or withdrawn from warehouse, for consumption on or after November 17, 1998, the date of the publication of our *Preliminary Determination* in the **Federal Register**. In accordance with section 703(d) of the Act, we instructed the U.S. Customs Service to discontinue the suspension of liquidation for merchandise entered on or after January 2, 1999, but to continue the suspension of liquidation of entries made between November 17, 1998, and January 1, 1999. We will reinstate suspension of liquidation under section 706(a) of the Act if the ITC issues a final affirmative injury determination and will require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related 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 for Import Administration.

If the ITC determines that material injury, or threat of material injury, does not exist, these proceedings will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled. If, however, the ITC determines that such injury does exist, we will issue a countervailing duty order.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to Administrative Protective Order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: May 19, 1999.

Richard W. Moreland,

Acting Assistant Secretary for Import Administration.

[FR Doc. 99–13683 Filed 6–7–99; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C–580–835]

Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils From the Republic of Korea

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

EFFECTIVE DATE: June 8, 1999.

FOR FURTHER INFORMATION CONTACT: Eva Temkin or Richard Herring, Office of CVD/AD Enforcement VI, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–2786.

Final Determination

The Department of Commerce (the Department) determines that countervailable subsidies are being provided to certain producers and exporters of stainless steel sheet and strip in coils from the Republic of Korea. For information on the estimated countervailing duty rates, please see the ''Suspension of Liquidation'' section of this notice.

Petitioners

The petition in this investigation was filed by Allegheny Ludlum Corporation, Armco, Inc., J&L Specialty Steel, Inc., Washington Steel Division of Bethlehem Steel Corporation, United Steelworkers of America, AFL-CIO/CLC, Butler Armco Independent Union, and Zanesville Armco Independent Organization, Inc. (collectively referred to hereinafter as the petitioners).

Case History

Since the publication of our preliminary determination in this investigation on November 17, 1998 (*Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination: Stainless Steel Sheet and Strip in Coils from the Republic of Korea,* 63 FR 63884 (Preliminary Determination)), the following events have occurred: