

Commission with "descriptions" of the nature of the subsidy (*see* November 23, 1999, Rebuttal Brief of the respondent interested parties at 2). However, with respect to the Bank of Israel Export Loans, they assert that, because the Department found in the original investigation that the loans were no longer at preferential rates, the program's consistency with the Subsidies Agreement is irrelevant. *Id.* at 3.

With respect to the other programs, respondent interested parties contend that, even as measured by the Department's methodology, the other programs will not exceed the five percent threshold of Article 6 of the Subsidies Agreement in future reviews. First, of the six subsidies mentioned in the Preliminary Results other than the Bank of Israel Export Loans, three are not relevant: The LTID Loans and the Exchange Rate Risk Insurance Scheme ("ERIS") have been terminated, and the Environmental Grant Program was used only one time and provides no residual benefits. *Id.* All the other programs combined *i.e.*, the ECIL Grants, EIRD Grants, and Infrastructure Grant Program will not exceed five percent in the future. *Id.* at 3-4. This is because ECIL and infrastructure grants are diminishing, both as a result of their allocation over time and as a result of the fact that any new grants have been minimal. Additionally, further privatization of Rotem, from about 31 percent government ownership to about two percent, will significantly reduce the residual subsidization from prior grants. *Id.* at 4.

#### *Department's Position*

The Department agrees with the respondent interested parties' assertion that descriptions of the Bank of Israel Export Loans, LTID Loans, and ERIS should not be included in the nature of the subsidy section because these programs were found to be terminated. However, as noted above, the Department has not found the Environmental Grant Program to be terminated. Therefore, we will revise the descriptions of the nature of the subsidies from these programs.

Additionally, as we noted in our preliminary results, we do not have information with which to calculate the net countervailable subsidy in accordance with Annex IV of the Subsidies Agreement, nor do we believe it appropriate to attempt such a calculation in the course of a sunset review.

#### **Nature of the Subsidy**

In the *Sunset Policy Bulletin*, the Department states that, consistent with

section 752(a)(6) of the Act, the Department will provide to the Commission information concerning the nature of the subsidy, and whether the subsidy is a subsidy described in Article 3 or Article 6.1 of the Subsidies Agreement.

Although the programs conferring benefits do not fall within the definition of an export subsidy under Article 3.1(a) of the Subsidies Agreement, they could be found to be inconsistent with Article 6 if the net countervailable subsidy exceeds five percent, as measured in accordance with Annex IV of the Subsidies Agreement. The Department, however, has no information with which to make such a calculation, nor do we believe it appropriate to attempt such a calculation in the course of a sunset review. Rather, we are providing the Commission with the following program descriptions.

The Encouragement of Capital Investments Law (ECIL) Grants. In the 1987 original investigation, the Department found that Negev Phosphates, Ltd. ("Negev") and Haifa Chemicals, Ltd. received countervailable subsidies from this program, the benefits of which depend on the geographic location of the eligible enterprises. ECIL Grants were found to confer subsidies in each subsequent administrative review.

Encouragement of Research and Development Law ("EIRD") Grants. Israeli manufacturers, producers or exporters of IPA may benefit from research and development grants under this program. With the exception of the 1988, 1989 and 1991 administrative reviews, the Department found the EIRD Law Grants to be countervailable in each yearly review since the issuance of the order.

Infrastructure Grant Program. In the administrative review of the 1996 period, the Department found that this program enables the GOI to establish new industrial areas by partially reimbursing companies for their costs of developing the infrastructure in certain geographical zones.

Environmental Grant Program. Additionally, in the 1996 administrative review, the Department found that the GOI administers this countervailable subsidy program to provide financial assistance for the adaptation of existing industrial facilities to new environmental requirements.

#### **Final Results of Review**

As a result of this review, the Department finds that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy for the reasons set forth in the final

results of review. As discussed more fully above, we will adjust our calculations of the net subsidy to reflect the termination of the LTID Loans program on the rates listed below:

Manufacturer/Exporter	Margin (Percent)
Haifa, Ltd. ....	5.91
All Others .....	5.91

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

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: January 28, 2000.

**Holly A. Kuga,**

*Assistant Secretary for Import Administration.*

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## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

[C-469-004]

#### **Final Results of Expedited Sunset Review: Stainless Steel Wire Rod From Spain**

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

**ACTION:** Notice of final results of expedited sunset review: Stainless steel wire rod from Spain.

**SUMMARY:** On July 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty order on stainless steel wire rod from Spain (64 FR 35589) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and adequate substantive comments filed on behalf of the domestic interested parties, as well as inadequate response from respondent interested parties, the Department determined to conduct an expedited (120 day) review. As a result of this

review, the Department finds that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy. The net countervailable subsidy and the nature of the subsidy are identified in the Final Results of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:** Eun W. Cho or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue N.W., Washington, D.C. 20230; telephone: (202) 482-1698 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** February 8, 2000.

### Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, 63 FR 13516 (March 20, 1998) ("Sunset Regulations") and in 19 CFR Part 351 (1999) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3 Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

### Scope

Imports covered by this order are shipments of stainless steel wire rod ("SSWR") from Spain, which includes coiled, semi-finished, hot-rolled stainless steel products of approximately round solid cross section, not under 0.20 inch nor over 0.74 inch in diameter, whether or not tempered or treated or partly manufactured, from Spain. This merchandise is currently classifiable under item numbers 7221.00.0020 and 7221.00.0040 of the Harmonized Tariff Schedule ("HTS") of the United States. The HTS item numbers are provided for convenience and customs purposes. The written description remains dispositive.

### History of the Order

On November 15, 1982, the Department issued a final affirmative countervailing duty determination on certain stainless steel products from Spain.<sup>1</sup> During the investigation, the

<sup>1</sup> See Final Affirmative Countervailing Duty Determinations; Certain Stainless Steel Products

Department reviewed four companies: Olarra, S.A. ("Olarra"), Roldan, S.A. ("Roldan"), S.A. Echevarria ("Echevarria"), and Forjas Alavesas, S.A. ("FASA").<sup>2</sup> The Department determined that four general subsidy programs were providing countervailable subsidies to Spanish manufacturers, producers, and exporters of the subject merchandise. The four relevant subsidy programs are as follows: medium- and long-term preferential loans under the Concerted Action Program ("CAP"), Privileged Circuit Exporter Credits program operating capital loans ("PCEC-OC"), Privileged Circuit Exporter Credits program pre-financing loans ("PCEC-PF"), and cash grants.<sup>3</sup>

Specifically, in its original investigation, the Department found Roldan was subsidized at the rate of 1.31 percent from the CAP and 1.88 percent from PCEC-OC and PCEC-PF; hence, the net countervailable subsidy rate for Roldan regarding the subject merchandise was 3.19 percent. Likewise, the Department found Echevarria was subsidized at the rates of 11.48 from the CAP, 1.88 percent from PCEC-OC, and 2.07 percent from a government-directed grant. Therefore, the net countervailable subsidy rate for Echevarria regarding the subject merchandise was 15.43 percent. Similarly, the subsidy rates for FASA are 0.21 and 1.88 percent for the CAP and for PCEC-OC, respectively. Thus, the net countervailable subsidy rate for

From Spain, 47 FR 51453 (November 15, 1982). However, this product designation was changed to "stainless steel wire rod" in the subsequent countervailing duty order because the International Trade Commission determined that only imports of SSWR from Spain are causing material injury or are threatening material injury to a domestic industry. The countervailing duty investigations pertaining to hot-rolled stainless steel bars and cold-formed stainless steel bars from Spain were terminated. See Stainless Steel Wire Rod From Spain; Countervailing Duty Order. 48 FR 52 (January 3, 1983).

<sup>2</sup> See *id.* The Department found that there were five known producers and exporters of the subject merchandise to the United States. The fifth company, La Calibradora Mecanica, S.A., was lumped with all others because it did not respond to the Department's inquiry. (Although Echevarria also did not provide the Department with a response, the Department had enough information to employ the best information otherwise available in determining the net subsidy rate for that company.)

<sup>3</sup> See *id.* For other subsidy programs investigated, the Department determined that some programs fall outside the purview of the countervailing duty law (such as, Desgravacion Fiscal a la Exportacion ("DFE") and Export Credit Insurance), and the others are either not applicable to or not used by Spanish producers/exporters of the subject merchandise (such as, some of Certain Privileged Circuit Exporter Credits, Warehouse Construction Loans, Regional Investment Incentive Programs, Equity Infusion, Special Credits to Aceros de Llodio, and Research and Development Incentives).

FASA regarding the subject merchandise was 2.09 percent. As for Olarra, the Department determined that the net countervailable subsidy rate was 0.00 percent.<sup>4</sup> Finally, the all-others rate was 15.43 percent.

The Department published the countervailing duty order on SSWR from Spain in the **Federal Register** on January 3, 1983.<sup>5</sup> Since that time, the Department has completed several administrative reviews.<sup>6</sup> In the first administrative review, covering the period January 1, 1986 through December 31, 1986, the Department determined that the net countervailable subsidy for Roldan was 1.42 percent:<sup>7</sup> the benefits from PCEC-OC, PCEC-PF, and the CAP were 0.07, 1.02, and 0.33 percent *ad valorem*, respectively. At the same time, however, the Department found that two subsidy programs were terminated: PCEC-OC (effective January 1, 1986 as per Treasury Order of April 14, 1982) and PCEC-PF (effective March 5, 1987 pursuant to Royal Decrees 321/1987 and 322/1987). Since the net countervailable subsidy for Roldan was reduced to *de minimis* (0.33 percent *ad valorem*) when the Department incorporated the above terminations into consideration, it waived cash deposits for any future shipments from Roldan, until the final results of the next administrative review.

In its second administrative review, covering January 1, 1987 through December 31, 1987, the Department determined that Roldan benefitted from PCEC-PF and the CAP at the rate of 0.15 and 0.27 percent *ad valorem*—combined rate of 0.42 percent *ad valorem*.<sup>8</sup> In its

<sup>4</sup> Although the Department determined that Olarra was in a court-ordered bankruptcy receivership and, therefore, any benefits associated with pre-receivership loans have been lost (*i.e.*, Olarra's net countervailable subsidy rate is zero), Olarra was not excluded from the final determination, countervailing duty order, and final results of subsequent administrative reviews because the Department determined that if the financial condition of Olarra improves, it could again qualify for and obtain the benefits under these programs in the future.

<sup>5</sup> Stainless Steel Wire Rod From Spain; Countervailing Duty Order, 48 FR 52 (January 3, 1983).

<sup>6</sup> See Stainless Steel Wire Rod From Spain; Final Results of Countervailing Duty Administrative Review, 53 FR 28427 (July 28, 1988); Stainless Steel Wire Rod From Spain; Final Results of Countervailing Duty Administrative Review, 54 FR 26826 (June 26, 1989); and Stainless Steel Wire Rod From Spain; Final Results of Countervailing Duty Administrative Review. 55 FR 349 (January 4, 1990).

<sup>7</sup> See *id.* Roldan was the lone subject of all three administrative reviews because the Department determined that Roland was the only known Spanish producer/exporter of the subject merchandise during the relevant periods of reviews.

<sup>8</sup> See footnote 6, *supra*. Also see Stainless Steel Wire Rod From Spain: Preliminary Results of

third and the latest administrative review, covering January 1, 1988 through December 31, 1988, the Department determined that the only subsidy program that conferred a benefit to Roldan was the CAP at the rate of 0.19 percent *ad valorem*.<sup>9</sup> The order remains in effect for all manufacturers and exporters of the subject merchandise.

### Background

On July 1, 1999, the Department initiated a sunset review of the countervailing duty order on SSWR from Spain (64 FR 35588), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of AL Tech Specialty Steel Corp., Carpenter Technology Corp., Republic Engineered Steels, Inc., Talley Metals Technology, Inc., and United Steelworkers of America (collectively referred to as "the domestic interested parties"), on July 16, 1999, within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. In their Notice of Intent to Participate, the domestic interested parties denoted that none of them is related to a foreign producer/exporter or is a U.S. importer of the subject merchandise, nor are any of them importers of the subject merchandise.

We received a complete substantive response on behalf of the domestic interested parties on August 2, 1999, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). The domestic interested parties claimed interested party status pursuant to sections 771(9)(C) and (D) of the Act, as U.S. producers of the domestic like product and as a union representing workers that engage in the production of the like product in the United States. In their substantive response, the domestic interested parties indicated that the most of them have participated in this proceeding since its inception and that, as a group, they remain committed to a full participation in the instant review. (See the domestic interested parties' August 2, 1999 Substantive Response, at 4-5.)<sup>10</sup> The domestic interested parties

Countervailing Duty Administrative Review, 54 FR 16384 (April 24, 1989). Since PCEC-PF was terminated pursuant to Royal Decrees 321/1987 and 322/1987, effective March 5, 1987, the Department preliminarily determined that cash deposit of estimated countervailing duties under this program is zero. In its final results of the administrative review, because the combined subsidy rate was *de minimis*, the Department required zero cash deposits for Roldan until the final results of the next administrative review is published.

<sup>9</sup> See footnote 6, *supra*.

<sup>10</sup> See footnote 1, *supra*. AL Tech Specialty Steel Corp., Carpenter Technology Corp., and Republic

also submitted their rebuttal comments on August 9, 1999, within the five-day deadline in accordance with section 351.218(d)(4).

The Department received substantive responses from the Government of the Kingdom of Spain ("KOS") and from the European Commission ("EC") on July 30, 1999 and July 29, 1999, respectively.<sup>11</sup> Both the KOS and EC indicated, in their respective substantive responses, that they are willing to participate in the instant review and that they have in the past participated in the proceedings of the order. However, the Department did not receive a substantive response from any foreign producer/manufacturer, exporter, or the U.S. importer, etc., as defined under 771(9)(A) of the Act. Thus, pursuant to section 351.218(e)(1)(ii)(A) of the *Sunset Regulations*, the Department determined that respondent interested parties' substantive responses were inadequate to warrant a full review. Consequently, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this order.

In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). Therefore, on November 16, 1999, the Department determined that the sunset review of the countervailing duty order on SSWR from Spain is extraordinarily complicated and extended the time limit for completion of the final results of this review until not later than January 27, 2000, in accordance with section 751(c)(5)(B) of the Act.<sup>12</sup>

Although the deadline for this determination was originally January 27, 2000, due to the Federal Government shutdown on January 25 and 26, 2000, resulting from inclement weather, the time frame for issuing this determination has been extended by two days.

### Determination

In accordance with section 751(c)(1) of the Act, the Department is conducting this review to determine whether revocation of the countervailing duty order would be likely to lead to

Engineered Steels were members of the original group which filed the petition.

<sup>11</sup> Although both the KOS and EC did not explicitly claim their interested party status, they are interested parties within the meaning of 771(9)(B) of the Act.

<sup>12</sup> See *Extension of Time Limit for Final Results of Five-Year Reviews* 64 FR 62167 (November 16, 1999).

continuation or recurrence of a countervailable subsidy. Section 752(b) of the Act provides that, in making this determination, the Department shall consider the net countervailable subsidy determined in the investigation and subsequent reviews, and whether any change in the program which gave rise to the net countervailable subsidy has occurred that is likely to affect that net countervailable subsidy. Pursuant to section 752(b)(3) of the Act, the Department shall provide to the International Trade Commission ("the Commission") the net countervailable subsidy likely to prevail if the order is revoked. In addition, consistent with section 752(a)(6), the Department shall provide to the Commission information concerning the nature of the subsidy and whether the subsidy is a subsidy described in Article 3 or Article 6.1 of the 1994 WTO Agreement on Subsidies and Countervailing Measures ("Subsidies Agreement").

The Department's determinations concerning continuation or recurrence of a countervailable subsidy, the net countervailable subsidy likely to prevail if the order is revoked, and nature of the subsidy are discussed below. In addition, the domestic interested parties' comments with respect to each of these issues are addressed within the respective sections.

### Continuation or Recurrence of a Countervailable Subsidy

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the basis for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis (*see* section III.A.2 of the *Sunset Policy Bulletin*). Additionally, the Department normally will determine that revocation of a countervailing duty order is likely to lead to continuation or recurrence of a countervailable subsidy where (a) a subsidy program continues, (b) a subsidy program has been only temporarily suspended, or (c) a subsidy program has been only partially terminated (*see* section III.A.3.a of the *Sunset Policy Bulletin*). Exceptions to this policy are provided where a company has a long record of not using a program (*see* section III.A.3.b of the

*Sunset Policy Bulletin*). Also, if the Department determines that the fully allocated benefit stream of a countervailable subsidy is likely to continue after the end of a sunset review, it will normally determine that the subsidy continues to exist regardless whether the program that gave rise to such benefit continues to exist. (*See Id.* at section III.A.4.)

In addition to considering guidance on likelihood provided in the Sunset Policy Bulletin and legislative history, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of a countervailable subsidy where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent manufacturers/producers or exporters of the subject merchandise.<sup>13</sup> Pursuant to section 351.218(d)(2)(iii) of the Sunset Regulations, this constitutes a waiver of participation.

In their substantive response, the domestic interested parties contend that revocation of the countervailing duty order would be likely to lead to continued unfair subsidization by the KOS. The domestic interested parties further contend that the KOS and its regional governments continue to provide an array of subsidy programs benefitting the Spanish steel industry. In support of their contention, the domestic interested parties point to Roldan's 1990-1994 financial statements, in which Roldan allegedly admitted receiving unspecified subsidies. Also, the domestic interested parties state that Roldan received subsidies from the Industrial Expansion Area of Castilla Leon in 1987 and 1990.<sup>14</sup> In addition, the domestic interested parties request the Department to reconsider, in the instant sunset review, the legal method by which the KOS eliminated some of its subsidy programs and to analyze whether the KOS is likely to reinstate such programs. In other words, the domestic interested parties are urging

<sup>13</sup> The Department did not receive a substantive response from Roldan, which is the only known exporter of the subject merchandise. (*See* footnote 7, *supra*.) As noted earlier, the Department received substantive responses from the respondent governments, the KOS and EC.

<sup>14</sup> The domestic interested parties' claims, however, do not go beyond a general statement; i.e., their claims lack specifics. In other words, other than merely arguing that other or new subsidies are benefitting Roldan, with respect to manufacturing/exporting the subject merchandise, the domestic interested parties did not provide the Department with any evidence or information in support of their claims.

the Department to revisit its decisions in previous administrative reviews in which the Department determined that PCEC-OC and PCEC-PF were eliminated. (*See* August 2, 1999 Substantive Response of the domestic interested parties at 14-17 and 21-23.)<sup>15</sup>

In conclusion, the domestic interested parties suggest that the countervailing duty order has been only marginally effective because of the existence of the other subsidy provisions<sup>16</sup> and that it is likely that the KOS and its regional governments will continue and resume subsidizing Spanish manufacturers/exporters of the subject merchandise. *Id.*

In its substantive response, the KOS indicates that the programs, on which the countervailing duty order was determined, have expired a long time ago: the CAP was only applicable during the period 1974-1982, and the PCEC-OC has not been applicable since 1986. Thus, according to the KOS, any outstanding benefit stream from 16-year-old programs would have long been amortized. Also, the KOS insists that the countervailing duty rates established in the original investigation were either zero or insignificant. Last, the KOS argues that the records clearly indicate that there is no subsidization of the product concerned. (*See* July 30, 1999 Response of the KOS.)

The EC emphasizes, in its substantive response, that the countervailing duty order under consideration is very old. According to the EC, all subsidies which were relevant in the original investigation, have since been terminated or no longer benefit the Spanish exporters/manufacturers of the subject merchandise. Also, the EC contends that, because the domestic interested parties withdrew their request for an administrative review in 1993,<sup>17</sup> the domestic interested parties acknowledged that there was no further evidence of subsidization in Spain. In conclusion, the EC asserts that revocation of the order is not likely to lead to continuation or recurrence of subsidization. (*See* July 29, 1999 Response of the EC.)

The domestic interested parties, in their rebuttal, claim that the KOS

<sup>15</sup> The domestic interested parties acknowledge that resumption or continuation of subsidization might not be likely if the terminations of subsidy programs are permanent and not replaced. (*See* the domestic interested parties' substantive response at 15, footnote 5.)

<sup>16</sup> As noted above, the domestic interested parties failed to supply any specific facts with respect to their claim that other or new subsidies will benefit Roldan.

<sup>17</sup> *See* Stainless Steel Wire Rod From Spain; Termination of Countervailing Duty Administrative Review, 58 FR 39197 (July 22, 1993).

continues to provide significant countervailable subsidies to its domestic steel industry. Also, the domestic interested parties argue against the respondent interested parties' suggestion that outstanding benefit streams have already been amortized and, therefore, that the order should be revoked. The domestic interested parties note that because the analytical framework applied by the Department in a sunset review is forward-looking, the Department should not give undue significance to the respondents' claim that subsidies provided to Roldan have been completely allocated. (*See* August 9, 1999 the domestic interested parties' Rebuttal Comments, at 1-7.)

Furthermore, the domestic interested parties note that the countervailable subsidy rates for Roldan, Echevarria, and all others, determined in the original investigation, are significant because the subsidies enable the manufacturers/exporters to aggressively price the subject merchandise in the U.S. market, where purchasers of SSWR consider price to be a significant factor. *Id.*

As noted above, in the final affirmative countervailing duty determination, the Department determined that all Spanish producers/exporters of the subject merchandise, except one, were benefitting from countervailable subsidies under the CAP, PCEC-OC, PCEC-PF, and cash grants programs at levels above de minimis.<sup>18</sup> In the first administrative review, however, the Department found that PCEC-OC was terminated pursuant to a Treasury Order of April 14, 1982, effective January 1, 1986; that PCEC-PF was terminated as per Royal Decrees 321/1987 and 322/1987, effective March 5, 1997; and that Roldan was not benefitting from a cash grant.<sup>19</sup> Therefore, based on the Department's prior findings regarding the termination of PCEC-OC and PCEC-PF and based on lack of evidence to the contrary, we determine that PCEC-OC and PCEC-PF were eliminated and are not likely to be reinstated if the order is revoked. In addition, the Department determines that the domestic interested parties' claim that other or new subsidies are benefitting Roldan is not supported by sufficient facts. Specifically, the domestic interested parties did not provide sufficient and/or appropriate information, evidence, or arguments to warrant consideration of newly alleged

<sup>18</sup> *See* footnote 1, *supra*.

<sup>19</sup> *See* Stainless Steel Wire Rod From Spain; Preliminary Results of Countervailing Duty Administrative Review, 53 FR 9789 (March 25, 1988).

subsidy programs in this sunset review. Moreover, whether the domestic interested parties are making subsidy allegations on products within the purview of the instant review is unclear. Finally, the domestic interested parties have provided no information that would cause us to revisit the final results of our prior administrative reviews, in which the above terminations and the non-usage of grants were found, and to reconsider the legal method by which the KOS eliminated the above subsidy programs.

Nevertheless, despite the KOS's claim that the CAP is expired as of 1982 and the EC's contention that the subsidies countervailed in the original investigation either were terminated or no longer benefit the exporters of the subject merchandise, the Department found that Roldan had an outstanding balance of long-term loans that were extended under the CAP and that Roldan, consequently, was benefitting from the said loan, as late as December 31, 1989, the last period considered by the Department in an administrative review.<sup>20</sup>

Section III.A.4 of the Sunset Policy Bulletin stipulates that in considering a subsidy for which the benefits are allocated over time, the Department normally will determine that the countervailable subsidy will continue to exist when the benefit stream will continue beyond the end of the sunset review regardless of whether the program that gave rise to the long-term benefit continues to exist. In the instant review, Roldan or other respondent parties did not come forth with information which would indicate whether Roldan's long-term loans under the CAP have been fully paid off or whether Roldan is no longer benefitting from the CAP. Hence, the Department is forced to rely on the information contained in the latest administrative review, in which the Department found residual benefits from the CAP still lingering with respect to Roldan, and to determine that Roldan is still benefitting from the eliminated subsidy, the CAP.

In conclusion, because we find that a countervailable program currently is being used (or the benefit stream therefrom continues beyond the end of this sunset review), and respondent interested parties waived their right to participate in this review before the Department, we determine that it is likely that a countervailable subsidy will continue or recur were the order revoked.

<sup>20</sup> See *Stainless Steel Wire Rod From Spain; Final Results of Countervailing Duty Administrative Review*, 55 FR 349 (January 4, 1990).

### Net Countervailable Subsidy

In the Sunset Policy Bulletin, the Department stated that, consistent with the SAA and House Report, the Department normally will select a rate from the investigation, because that is the only calculated rate that reflects the behavior of exporters and foreign governments without the discipline of an order or suspension agreement in place. The Department went on to clarify that this rate may not be the most appropriate if, for example, the rate was derived from subsidy programs which were found in subsequent reviews to be terminated, there has been a program-wide change, or the rate ignores a program found to be countervailable in a subsequent review. Additionally, where the Department determined company-specific countervailing duty rates in the original investigation, the Department normally will report to the Commission company-specific rates from the original investigation or where no company-specific rate was determined for a company, the Department normally will provide to the Commission the country-wide or all others rate. (See Sunset Policy Bulletin at section III.B.2.)

The domestic interested parties, citing the Sunset Policy Bulletin, state that the Department should select, as the net countervailable subsidy that is likely to prevail if the order is revoked, the company-specific and all-others rates from the original investigation. (See the domestic interested parties substantive response at 24–25.) In contrast, the respondent interested parties assert that all the countervailing duty rates established at the original investigation were either zero or insignificant and that the only meaningful or significant rate in the investigation was imposed against a particular producer because the producer had not cooperated. Both the KOS and EC stress that the order is 16 years old; therefore, any outstanding benefit streams have long been amortized. Therefore, they argue the rates likely to prevail if the order is revoked would be zero. (See the KOS and EC's July 30, 1999 and July 29, 1999 substantive responses, respectively.)

The Department disagrees with the domestic interested parties' argument concerning the net countervailable subsidy rate that is likely to prevail were the order revoked. The Department normally will choose the rates from the investigation because such rates reflect how companies will act without the discipline of an order in place. (See section III.B.1 of the Sunset Policy Bulletin.) Section III.B.3 of Sunset Policy Bulletin also provides that the Department may make an adjustment

with respect to the likely-to-prevail subsidy rate to reflect change(s) in the programs that gave rise to the order. As the Department noted in its administrative reviews and as the KOS indicated in its substantive response, all subsidies pertaining to manufacturing/exporting of the subject merchandise, except cash grants, have been terminated.<sup>21</sup> Also, the KOS stipulates in its substantive response that the CAP was applicable only during the period 1974–1982.

As a result of changes in programs since the imposition of the countervailing duty order, we determine that selecting the net countervailable subsidy rates, as determined in the original investigation, is no longer appropriate. Rather, to reflect these changes in the programs, which gave rise to the net countervailable subsidy determination in the investigation or subsequent reviews, we have adjusted the company-specific and all-others countervailing duty rates from the original investigation by subtracting the subsidy rates from programs that have been terminated and that have no existing benefit stream. (See *Memos to the File—Calculation of the Likely-to-Prevail Rates*.) As a result, the Department will report to the Commission the rates as contained in the Final Results of Review section of this notice.

### Nature of the Subsidy

In the Sunset Policy Bulletin, the Department stated that, consistent with section 752(a)(6) of the Act, the Department will provide information to the Commission concerning the nature of the subsidy and whether the subsidy is a subsidy described in Article 3 or Article 6.1 of the Subsidies Agreement. The domestic interested parties do not specifically address this issue in their substantive response.

Among the benefits provided by the KOS's countervailable programs, the Department determined that those provided by the PCEC-OC and PCEC-PF were contingent upon export performance;<sup>22</sup> therefore, both programs fall within the purview of Article 3(a). Since the CAP and government-directed

<sup>21</sup> See footnote 6, *supra*. The Department, in its administrative reviews, determined that PCEC-OC and PCEC-PF had been terminated with no residual benefits. Moreover, the Department found that the Cash Grant program was never used by Roldan during the investigation and throughout the existence of the order.

<sup>22</sup> See *Stainless Steel Wire Rod From Spain: Preliminary Results of Countervailing Duty Administrative Review*, 53 FR 9789 (March 25, 1988). The maximum amount of loan a company can acquire was expressed in terms of the percentage of the company's exports in previous years. Also, see footnote 1.

grants are not contingent upon exports, these programs seem to fall outside the definition of export subsidies under Article 3(a) of the Subsidies Agreement. However, the Department does not have enough information to calculate or determine whether the total ad valorem subsidization of the subject merchandise from the CAP/government-directed grants exceeds five-percent or whether the CAP/government-directed grants were meant to cover operating losses or to be used as direct forgiveness of debt. Nor does the Department believe such calculation or determination would be appropriate in the course of a sunset review. Instead, we are providing the Commission with the following program descriptions.

#### *The CA*

Under the Concerted Action Program established by Royal Decree 669/74, the Spanish government directs banks to make long-term loans to steel companies at below market rates. Because loans under the CAP are provided to a specific industry at rates and terms inconsistent with commercial consideration, the Department determined that this loan confers a countervailable domestic subsidy.<sup>23</sup>

#### *Government-directed grants*

Although initially the disbursements were characterized as zero interest loans, the Department found that this is an untied cash grant meant to keep some companies in operation until a reconversion plan could be implemented. Thus, the Department determined that the disbursements were government-directed grants and countervailable subsidies.<sup>24</sup>

#### **Final Results of Review**

As a result of this review, the Department finds that revocation of the countervailing duty order would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

Manufacturer/exporters	Margin (percent)
Roldan, S.A. ....	0.19
S.A. Echevarria .....	13.55
Forjas Alavesas, S.A. ....	0.21
Olarra .....	<sup>25</sup> 0.00
All others .....	13.55

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the

disposition of proprietary information disclosed under APO in accordance with 19 C.F.R. 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: January 31, 2000.

**Holly A. Kuga,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-2838 Filed 2-7-00; 8:45 am]

**BILLING CODE 3510-DS-P**

## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

[C-475-821]

#### **Stainless Steel Wire Rod From Italy: Rescission of Countervailing Duty Administrative Review**

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

**ACTION:** Notice of Rescission of Countervailing Duty Administrative Review.

**SUMMARY:** On October 28, 1999, in response to a request from respondents, the Department of Commerce initiated an administrative review of the countervailing duty order on stainless steel wire rod from Italy. The review covers the period January 1, 1998 through December 31, 1998. In accordance with 19 CFR 351.213(d)(1), the Department is now rescinding this review because the respondents have withdrawn their request for review.

**EFFECTIVE DATE:** February 8, 2000.

**FOR FURTHER INFORMATION CONTACT:** Eric B. Greynolds, AD/CVD Enforcement, Group II, Office 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.

**SUPPLEMENTARY INFORMATION:** On September 30, 1999, the Department received a request for an administrative review of the countervailing duty order on stainless steel wire rod from Italy from Accaiaerie Valbruna S.r.l. and Accaiaerie di Bolzano SpA (respondents), for the period January 1, 1998 through December 31, 1998. On November 4, 1999, the Department

published in the **Federal Register** (64 FR 60161) a notice of "Initiation of Countervailing Duty Administrative Review" initiating the administrative review. On November 15, 1999, respondents withdrew their request for review.

The applicable regulation, 19 CFR 351.213(d)(1), states that if a party that requested an administrative review withdraws the request within 90 days of the date of publication of the notice of initiation of the requested review, the Secretary will rescind the review. In this case, respondents have withdrawn their request within the 90 day period. No other interested party requested a review, and we have received no other submissions regarding respondents' withdrawal of its request for review. Therefore, we are rescinding this review of the countervailing duty order on stainless steel wire rod from Italy covering the period January 1, 1998, through December 31, 1998.

This notice is published in accordance with 19 CFR 351.213(d)(4).

Dated: January 27, 2000.

**Holly A. Kuga,**

*Acting Deputy Assistant Secretary for Import Administration.*

[FR Doc. 00-2844 Filed 2-7-00; 8:45 am]

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## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

[C-533-807]

#### **Final Results of Expedited Sunset Review: Sulfanilic Acid From India**

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

**ACTION:** Notice of Final Results of Expedited Sunset Review: Sulfanilic Acid from India.

**SUMMARY:** On October 1, 1999, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty order on sulfanilic acid from India (64 FR 53320) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and an adequate response filed on behalf of a domestic interested party and an inadequate response (in this case no response) from respondent interested parties, the Department decided to conduct an expedited (120-day) review. As a result of this review, the Department finds that revocation of the countervailing duty order would be

<sup>23</sup> See *id.*

<sup>24</sup> See footnote 1, *supra*.

<sup>25</sup> See footnote 4, *supra*.