

who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the Federal Register to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

Requests for a public hearing should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and, (3) to the extent practicable, an identification of the arguments to be raised at the hearing. In addition, unless otherwise informed by the Department, six copies of the business proprietary version and six copies of the non-proprietary version of the case briefs must be submitted to the Assistant Secretary no later than 50 days from the date of publication of the preliminary determination. As part of the case brief, parties are encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Six copies of the business proprietary version and six copies of the non-proprietary version of the rebuttal briefs must be submitted to the Assistant Secretary no later than five days from the date of filing of the case briefs. An interested party may make an oral presentation only on arguments included in that party's case or rebuttal briefs. Written arguments should be submitted in accordance with 19 CFR 351.309 and will be considered if received within the time limits specified above.

This determination is published pursuant to sections 703(f) and 777(i) of the Act.

February 25, 2002

Faryar Shirzad,

Assistant Secretary for Import Administration.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-427-823]

Notice of Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination: With Final Antidumping Duty Determination: Certain Cold-Rolled Carbon Steel Flat Products From France

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

ACTION: Preliminary determination of countervailing duty investigation.

SUMMARY: The Department of Commerce preliminarily determines that countervailable subsidies are being provided to producers or exporters of certain cold-rolled carbon steel flat products from France. For information on the estimated countervailing duty rates, see section below on "Suspension of Liquidation."

EFFECTIVE DATE: March 4, 2002.

FOR FURTHER INFORMATION CONTACT: Suresh Maniam at (202) 482-0176; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

Preliminary Determination

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the "Act") by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce's (the "Department") regulations are to our regulations as codified at 19 CFR part 351 (2001).

The Petitioners

The petition in this investigation was filed by Bethlehem Steel Corp., United States Steel LLC., LTV Steel Co., Inc., Steel Dynamics, Inc., National Steel Corp., Nucor Corp., WCI Steel, Inc., and Weirton Steel Corp. (collectively, "the petitioners").

Case History

The following events have occurred since the publication of the notice of initiation in the **Federal Register** (see *Notice of Initiation of Countervailing Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From*

Argentina, Brazil, France, and the Republic of Korea, 66 FR 54218 (October 26, 2001) ("Initiation Notice").

On November 3, 2001, we issued countervailing duty questionnaires to the Government of France ("GOF"), the European Commission ("EC"), and Usinor, a producer/exporter of the subject merchandise from France. Our decision to select Usinor to respond to our questionnaire is explained in the Memorandum to Susan H. Kuhbach, "Respondent Selection," dated November 2, 2001, which is on file in the Central Records Unit, room B-099 of the main Department building.

On November 30, 2001, we extended the time limit for the preliminary determination of this investigation to January 28, 2002. See *Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and the Republic of Korea: Extension of Time Limit for Preliminary Determinations in Countervailing Duty Investigations*, 66 FR 63523 (December 7, 2001).

On November 15, 2001, Emerson Electric Co. submitted a request to exclude certain merchandise from the scope of this investigation. On February 22, 2002, the petitioners submitted an objection to this request. See section below on "Scope of the Investigation: Scope Comments" for an analysis of these submissions and the Department's resulting determination.

We received a response to our countervailing duty questionnaire from the EC on December 20, 2001, and from the GOF and Usinor on December 21, 2001. On January 2, 2002, the petitioners submitted comments regarding these questionnaire responses.

We issued supplemental questionnaires to the GOF and Usinor on January 7, 2002, and received responses to these questionnaires on January 16, 2002.

On January 18, 2002, we further extended the time limit for the preliminary determination of this investigation to February 25, 2002. See *Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and the Republic of Korea: Extension of Time Limit for Preliminary Determinations in Countervailing Duty Investigations*, 67 FR 3482 (January 24, 2002).

On January 24, 2002, we requested that Usinor provide its sales values for its French production from 1988 through 2000. See Memorandum to File, dated January 24, 2002. Usinor submitted this information on January 29, 2002.

We issued another supplemental questionnaire to Usinor on February 12,

2002, and received a response to this questionnaire on February 15, 2002.

Scope of the Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products. For a full description of the scope of this investigation, see the Scope Appendix attached to the *Notice of Preliminary Negative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determinations: Certain Cold-Rolled Carbon Steel Flat Products from Argentina*, published concurrently with this preliminary determination.

Scope Comments

In the *Initiation Notice*, we invited comments on the scope of this proceeding. On November 15, 2001, we received a request from Emerson Electric Company ("Emerson") to amend the scope of this investigation, as well as the concurrent countervailing and antidumping duty investigations pertaining to subject merchandise. Specifically, Emerson requested that the scope be amended to exclude all types of nonoriented coated silicon electrical steel, whether fully- or semi-processed, because such products are not treated in the marketplace as carbon steel products.

On February 22, 2002, we received a response to the Emerson request from the petitioners. The petitioners objected to excluding these products from the scope and have explained that the scope language is not overly inclusive with respect to these products. Therefore, we determine that nonoriented coated silicon electric steel is within the scope of these proceedings.

The Department has also received several other scope exclusion requests in the cold-rolled steel investigations. We are continuing to examine these exclusion requests, and plan to reach a decision as early as possible in the proceedings. Interested parties will be advised of our intentions prior to the final determinations and will have the opportunity to comment.

Injury Test

Because France is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, the U.S. International Trade Commission ("ITC") is required to determine whether imports of the subject merchandise from France materially injure, or threaten material injury to, a U.S. industry. On November 19, 2001, the ITC published its preliminary determination finding a reasonable

indication of material injury or threat of material injury to an industry in the United States by reason of imports of certain cold-rolled carbon steel flat products from France. See *Certain Cold-Rolled Steel Products From Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, Netherlands, New Zealand, Russia, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 57985 (November 19, 2001).

Alignment With Final Antidumping Duty Determination

On February 21, 2002, the petitioners submitted a letter requesting alignment of the final determination in this investigation with the final determination in the companion antidumping duty investigations (see *Notice of Initiation of Antidumping Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Australia, Belgium, Brazil, France, Germany, India, Japan, Korea, the Netherlands, New Zealand, the People's Republic of China, the Russian Federation, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, and Venezuela*, 66 FR 54198 (October 26, 2001)). The companion antidumping duty investigations and this countervailing duty investigation were initiated on the same date and have the same scope. Therefore, in accordance with section 705(a)(1) of the Act, we are aligning the final determination in this investigation with the final determination in the antidumping duty investigations of certain cold-rolled carbon steel flat products.

In accordance with section 703(d) of the Act, the suspension of liquidation resulting from this preliminary affirmative countervailing duty determination will remain in effect no longer than four months.

Period of Investigation

The period of investigation ("POI") for which we are measuring subsidies is the calendar year 2000.

Changes in Ownership

On February 2, 2000, the U.S. Court of Appeals for the Federal Circuit ("CAFC") in *Delverde Srl v. United States*, 202 F.3d 1360, 1365 (Feb. 2, 2000), *reh'g en banc denied*, 2000 U.S. App. LEXIS 15215 (June 20, 2000) ("*Delverde III*"), rejected the Department's change-in-ownership methodology as explained in the *General Issues Appendix*.¹ The CAFC held that "the Tariff Act, as amended,

does not allow Commerce to presume conclusively that the subsidies granted to the former owner of Delverde's corporate assets automatically 'passed through' to Delverde following the sale. Rather, the Tariff Act requires that Commerce make such a determination by examining the particular facts and circumstances of the sale and determining whether Delverde directly or indirectly received both a financial contribution and benefit from the government." *Id.*, 202 F.3d at 1364.

Pursuant to the CAFC finding, the Department developed a new change-in-ownership methodology, first announced in a remand determination on December 4, 2000, following the CAFC's decision in *Delverde III*, and also applied in *Grain-Oriented Electrical Steel from Italy; Final Results of Countervailing Duty Administrative Review*, 66 FR 2885 (January 12, 2001). Likewise, we have applied this new methodology in analyzing the changes in ownership in this preliminary determination.

The first step under this new methodology is to determine whether the legal person (entity) to which the subsidies were given is, in fact, distinct from the legal person that produced the subject merchandise exported to the United States. If we determine the two persons are distinct, we then analyze whether a subsidy has been provided to the purchasing entity as a result of the change-in-ownership transaction. If we find, however, that the original subsidy recipient and the current producer/exporter are the same person, then that person benefits from the original subsidies, and its exports are subject to countervailing duties to offset those subsidies. In other words, we will determine that a "financial contribution" and a "benefit" have been received by the "person" under investigation. Assuming that the original subsidy has not been fully amortized under the Department's normal allocation methodology as of the POI, the Department would then continue to countervail the remaining benefits of that subsidy.

In making the "person" determination, where appropriate and applicable, we analyze factors such as: (1) Continuity of general business operations, including whether the successor holds itself out as the continuation of the previous enterprise, as may be indicated, for example, by use of the same name, (2) continuity of production facilities, (3) continuity of assets and liabilities, and (4) retention of personnel. No single factor will necessarily provide a dispositive indication of any change in the entity

¹ *Final Affirmative Countervailing Duty Determination: Certain Steel Products from Austria*, 58 FR 37217, 37225 (July 9, 1993).

under analysis. Instead, the Department will generally consider the post-sale person to be the same person as the pre-sale person if, based on the totality of the factors considered, we determine the entity in question can be considered a continuous business entity because it was operated in substantially the same manner before and after the change in ownership.

In *Final Results of Redetermination Pursuant to Court Remand: GTS Industries S.A. v. United States*, No. 00-03-00118 (December 22, 2000) and *Final Results of Redetermination Pursuant to Court Remand: Allegheny-Ludlum Corp., et al v. United States*, No. 99-09-00566 (December 20, 2000), the Department determined that pre-sale Usinor is the same person as respondent Usinor. The following summarizes the analysis performed in these remands, which continues to hold true for this investigation.

Usinor's Privatization

Up until the time of Usinor's privatization, Usinor was owned (directly or indirectly) by the GOF. Usinor was privatized beginning in July 1995, when the GOF and Clindus offered the vast majority of their shares in the company for sale. Clindus was a subsidiary of Credit Lyonnais, which at that time was controlled by the GOF. After the privatization and, in particular, by the end of calendar year 1997, 82.28 percent of Usinor's shares were held by private shareholders who could trade them freely. Usinor's employees owned 5.16 percent of Usinor's shares; Clindus, 2.5 percent; and, the GOF, 0.93 percent. The remaining 14.29 percent of Usinor's shares were held by the so-called "Stable Shareholders."

In analyzing whether the producer of merchandise subject to this investigation is the same business entity as pre-privatization Usinor, we have examined whether Usinor continued the same general business operations, retained production facilities, assets and liabilities, and retained the personnel of the pre-privatization Usinor. Based on our analysis, we have concluded that the privatized Usinor is, for all intents and purposes, the same "person" as the GOF-owned steel producer of the same name which existed prior to the privatization. Consequently, the subsidies bestowed on Usinor prior to its 1995 privatization are attributable to respondent Usinor, and continue to benefit Usinor during the POI.

1. Continuity of General Business Operations

Usinor produced the same products and remained the same corporation at least since the late 1980s. In 1987, Usinor became the holding company for the French steel groups, Usinor and Sacilor (the GOF had majority ownership of both Usinor and Sacilor since 1981). Usinor's principal businesses covered flat products, stainless steel and alloys, and specialty products. In 1994, these three product groups were produced by three subsidiaries: Sollac, Ugine and Aster (respectively).

This same structure continued after Usinor's privatization in 1995. Usinor's organizational chart during the period of investigation shows the same three major products being produced by the same three subsidiaries. In 1994 (prior to the privatization), flat products contributed 55 percent of consolidated sales, while stainless and specialty products contributed 20 and 18 percent respectively. In the years following privatization (1995, 1996 and 1997), flat carbon steels continued to contribute 49-53 percent of Usinor's consolidated net sales, while stainless and alloy, and specialty steel accounted for 23-25 percent, and 19-21 percent, respectively.

We have also examined whether post-privatization Usinor held itself out as the continuation of the previous enterprise (e.g., did it retain the same name). In this instance, Usinor retained its same name and there is no indication that the privatized company held itself out as anything other than a continuation of pre-privatization Usinor.

The continuity of Usinor's business operations is also reflected in Usinor's customer base. Prior to privatization, the automobile industry was a principal purchaser of Usinor's output, accounting for approximately 30 percent of Usinor's sales in 1994. In 1997, the automobile industry was still Usinor's major customer (36 percent of Usinor's sales). The construction industry was the second largest purchaser in both years, accounting for 26 and 23 percent, respectively.

2. Continuity of Production Facilities

Neither product lines nor production capacity changed as a result of the privatization, except those changes that occurred in an ongoing manner in the ordinary course of business. No facilities or production lines were added or eliminated specifically as a result of the sale. As is clear from a comparison of the Prospectus for the 1995

privatization and Usinor's 1997 Annual Report, steel production facilities have remained intact. The company continued to focus on an "all steel" strategy, engaging in all aspects of the steel production process and produces a wide variety of steel products. Finally, Usinor's steel production facilities did not change their physical locations.

3. Continuity of Assets and Liabilities

Usinor was sold intact, with all of its assets and liabilities. While the GOF continued to own a small percentage of Usinor's shares, there is no indication that it retained any of Usinor's assets or liabilities.

4. Retention of Personnel

Usinor's Articles of Incorporation changed as a result of the privatization, and the new Articles of Incorporation specified new procedures for electing the Board of Directors. New directors were elected to the Board under the new procedures. However, Usinor's Chairman and Chief Executive Officer remained the same before and after the privatization. Similarly, Usinor's workforce did not change.

Therefore, based on the facts and our analysis of a variety of relevant factors, once privatized, Usinor continued to operate, for all intents and purposes, as the same "person" that existed prior to the privatization and, thus, the pre-privatization subsidies continued to benefit Usinor even under private ownership.

Use of Facts Available

Sections 776(a)(2)(A) and (B) of the Act require the use of facts available when an interested party withholds information requested by the Department, or when an interested party fails to provide information required in a timely manner and in the format requested. In selecting from among facts available, section 776(b) of the Act provides that the Department may use an inference adverse to the interests of a party if the Department determines that the party has failed to cooperate to the best of its ability. Such adverse inference may include reliance on information derived from: (1) The petition; (2) a final determination in a countervailing duty or an antidumping duty investigation; (3) any previous administrative review, new shipper review, expedited antidumping review, section 753 review, or section 762 review; or (4) any other information placed on the record. See Section 776(b) of the Act; see also, 19 CFR 351.308(a), (b), and (c).

Section 782(d) and 782(e) require the Department to inform a respondent if

there are deficiencies in its responses and allow it a reasonable time to correct these deficiencies before the Department applies facts available. Even if the information provided is deficient, if it is usable without undue difficulty, timely, verifiable, can serve as a reliable basis for reaching our determination, and the party has cooperated to the best of its ability in providing responses to the Department's questionnaires, section 782(e) directs the Department to not decline consideration of the deficient submissions.

In this case, the GOF did not provide the information altogether for the Investment/Operating Subsidies, instead answering our question by stating "this question is not readily answerable given the multiplicity of programs involved." See GOF Questionnaire Response, dated December 21, 2001, at II-13. Moreover, in previous proceedings where this same program was investigated, the GOF also failed to provide the same requested information in response to the same question, providing similar answers. See *Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate from France*, 64 FR 73277, 73282 (December 29, 1999) ("*French Plate*") and *Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip from France*, 64 FR 30774, 30779 (June 8, 1999) ("*French Stainless*"). The relevant pages of the questionnaire responses in those investigations have been placed on the record of this investigation. See Memorandum to File, "Miscellaneous Information" at Attachment 1 ("Miscellaneous Information Memo"). Thus, the GOF was made aware of the specific information that the Department needed for its analysis on several occasions, yet consistently failed to provide sufficient responses. Thus, pursuant to 782(d) and (e), the Department was left with no alternative but to apply facts available.

The GOF never stated why it was not able to provide the information requested, just that the answers were not "readily answerable." Furthermore, the GOF never requested an extension of time from the Department in which it could follow up with more extensive research and retrieve the information requested. Instead, the GOF basically informed the Department that because the information was not readily answerable, it would not answer our request. Furthermore, the GOF stated that it would provide further documentation at verification, but the Department's regulations state that we do not accept new information at verification. 19 CFR 351.301(b)(1).

Based on the GOF's responses and all of the information available on the record, we, therefore, do not believe the GOF responded to the best of its ability to our questionnaire. Because the GOF did not provide the distribution of benefits for the investment/operating subsidies, the Department is unable to determine the specificity of this program. We therefore find, pursuant to sections 776(a) and (b) of the Act, that the use of adverse facts available in this case is necessary, and subject to this analysis find that the relevant investment/operating subsidy programs were *de facto* specific.

Subsidies Valuation Information

Allocation Period

Pursuant to 19 CFR 351.524(b), non-recurring subsidies are allocated over a period corresponding to the average useful life ("AUL") of the renewable physical assets used to produce the subject merchandise. Section 351.524(d)(2) of the regulations creates a rebuttable presumption that the AUL will be taken from the U.S. Internal Revenue Service's 1977 Class Life Asset Depreciation Range System ("the IRS Tables"). For certain cold-rolled carbon steel flat products, the IRS Tables prescribe an AUL of 15 years.

In order to rebut the presumption in favor of the IRS tables, the challenging party must show that the IRS tables do not reasonably reflect the company-specific AUL or the country-wide AUL for the industry in question, and that the difference between the company-specific or country-wide AUL and the IRS tables is significant. 19 CFR 351.524(d)(2)(i). For this difference to be considered significant, it must be one year or greater. 19 CFR 351.524(d)(2)(ii).

In this proceeding, Usinor has calculated a company-specific AUL of 12 years. We note, however, that the one allocable subsidy received by Usinor, FIS Bonds, has previously been allocated over a company-specific AUL of 14 years. The 14-year AUL was calculated in a remand determination involving the *Final Affirmative Countervailing Duty Determination: Certain Steel Products from France*, 58 FR 37304 (July 9, 1993) ("*French Certain Steel*") and was subsequently used to allocate this same subsidy in *French Plate* and *French Stainless*. Because the 14-year AUL was calculated using company-specific information more contemporaneous with the bestowal of the subsidy in question, we have continued to use the 14-year AUL to allocate the benefits of the FIS bonds in this proceeding. See *French Plate*, 64 FR at 73293.

For non-recurring subsidies to Usinor, we applied the "0.5 percent expense test" described in 19 CFR 351.524(b)(2). Under this test, we compare the amount of subsidies approved under a given program in a particular year to sales (total or export, as appropriate) in that year. If the amount of subsidies is less than 0.5 percent of sales, the benefits are allocated to the year of receipt rather than being allocated over the AUL period.

Equityworthiness and Creditworthiness

In *French Certain Steel*, we found Usinor to be unequityworthy from 1986 through 1988 and uncreditworthy from 1982 through 1988. No new information has been presented in this investigation to warrant a reconsideration of these findings. Therefore, based upon these previous findings of unequityworthiness and uncreditworthiness, in this investigation, we continue to find Usinor unequityworthy and uncreditworthy from 1987 through 1988, the years relevant to this investigation.

Benchmarks for Loans and Discount Rates

As discussed above, we have determined that Usinor was uncreditworthy in 1988, the only year in which it received a countervailable subsidy which is being allocated over time.

In accordance with 19 CFR 351.524(d)(3)(ii), the discount rate for companies considered uncreditworthy is the rate described in 19 CFR 351.505(a)(3)(iii). To calculate that rate, the Department must specify values for four variables: (1) The probability of default by an uncreditworthy company; (2) the probability of default by a creditworthy company; (3) the long-term interest rate for creditworthy borrowers; and (4) the term of the debt.

For the probability of default by an uncreditworthy company, we have used the average cumulative default rates reported for the Caa-to C-rated category of companies as published in Moody's Investors Service, "Historical Default Rates of Corporate Bond Issuers, 1920-1997" (February 1998). For the probability of default by a creditworthy company, we used the cumulative default rates for investment grade bonds as published in Moody's Investor Services: "Statistical Tables of Default Rates and Recovery Rates" (February 1998). See Miscellaneous Information Memo at Attachment 2. For the commercial interest rate charged to creditworthy borrowers, we used the average of the following long-term interest rates: medium-term credit to

enterprises, equipment loan rates as published by the OECD, cost of credit rates published in the *Bulletin of Banque de France*, and private sector bond rates as published by the International Monetary Fund. See Miscellaneous Information Memo at Attachment 3. For the term of the debt, we used the AUL period for Usinor, as the equity benefits are being allocated over that period.

To measure the benefit from reimbursable advances received by Usinor, we relied on the average, short-term interest rate in France as reported in the *International Financial Statistics*, as published by the International Monetary Fund (See Miscellaneous Information Memo at Attachment 4). Usinor did not report a company-specific short term interest rate.

I. Programs Preliminarily Determined to Be Countervailable

A. FIS Bonds

The 1981 Corrected Finance Law granted Usinor the authority to issue convertible bonds. In 1983, the Fonds d'Intervention Sidérurgique ("FIS"), or steel intervention fund, was created to implement that authority. In 1983, 1984, and 1985, Usinor issued convertible bonds to the FIS, which in turn, with the GOF's guarantee, floated the bonds to the public and to institutional investors. These bonds were converted to common stock in 1986 and 1988.

In several previous cases, the Department has treated these conversions of Usinor's FIS bonds into equity as countervailable equity infusions. See *French Certain Steel*, 58 FR at 37307; *French Plate*, 64 FR at 73282; *French Stainless*, 64 FR at 30779; and *Final Affirmative Countervailing Duty Determinations: Certain Hot Rolled Lead and Bismuth Carbon Steel Products From France*, 58 FR 6221, 6224 (January 27, 1997). These equity infusions were limited to Usinor and were, therefore, specific within the meaning of section 771(5A)(D)(i) of the Act. Also, these equity infusions provided a financial contribution to Usinor within the meaning of section 771(5)(D)(i) of the Act.

No new information or evidence of changed circumstances has been submitted in this proceeding to warrant a reconsideration of our past findings. Therefore, we determine that a countervailable benefit exists in the amount of the equity infusions in accordance with section 771(5)(E)(i) of the Act. In this investigation, because the 1986 conversion has already been fully allocated over the AUL prior to the

POI, only the 1988 equity infusions continue to provide a benefit in the POI.

We have treated the 1988 equity infusion as a non-recurring subsidy pursuant to 19 CFR 351.507(c). Because Usinor was uncreditworthy in 1988 (see section above on "Subsidies Valuation Information: Equityworthiness and Creditworthiness"), we used an uncreditworthy discount rate to allocate the benefit of the equity infusion.

In *French Plate*, we attributed separately to Usinor and GTS Industries S.A. ("GTS") their relative portions of the benefits from the equity infusion. 64 FR at 73282. We have continued to do so in this proceeding. We note, however, that the amount attributed to the respective companies differs from the amounts in *French Plate*. This is because of the revisions to the Department's change-in-ownership methodology since the *French Plate* determination. To calculate the benefit attributable to GTS, we first divided GTS's sales in 1995 (the year prior to which Usinor ownership fell below 50 percent) by Usinor's consolidated sales of French produced merchandise in 1995. We then multiplied this ratio by Usinor's percentage ownership in GTS in 1996. The resulting percentage was multiplied by the total 1988 equity infusion to determine the benefit to GTS. The remaining amount of the equity infusion was attributed to Usinor.

Dividing the allocated benefit to Usinor in the POI by Usinor's total sales of French-produced merchandise during the POI, we preliminarily determine Usinor's net subsidy rate for this program to be 1.13 percent *ad valorem*.

B. Investment/Operating Subsidies

During the period 1987 through the POI, Usinor received a variety of small investment and operating subsidies from various GOF agencies and from the European Coal and Steel Community ("ECSC"). These subsidies were provided to Usinor for research and development, projects to reduce work-related illnesses and accidents, projects to combat water pollution, etc. The subsidies are classified as investment, equipment, or operating subsidies in the company's accounts, depending on how the funds are used.

In *French Plate* and *French Stainless*, the Department determined that the funding provided to Usinor by the water boards (*les agences de l'eau*) and certain work/training grants were not countervailable. See 64 FR at 73282; 64 FR at 30779 and 30782. Therefore, consistent with these previous cases, we have not investigated these programs in this proceeding.

For the remaining programs, the GOF did not answer our questions regarding the distribution of funds, stating instead that, in the GOF's view, these "question[s] are not readily answerable given the multiplicity of programs involved." As noted earlier, the GOF never why it would not be possible to provide the requested information. It also never asked the Department for an extension of time in which it could successfully research and retrieve the requested information. Instead, the GOF basically informed the Department that because the information was not "readily answerable," it would not answer our request. We, therefore, do not believe that the GOF acted to the best of its ability when it refused to provide the requested information.

Accordingly, the Department has drawn an adverse inference (as done in *French Plate*, 64 FR at 73282 and *French Stainless*, 64 FR at 30779) by concluding that the investment and operating subsidies (except those provided by the water boards and certain work/training contracts) are specific within the meaning of section 771(5A)(D) of the Act. See section above on "Use of Facts Available."

We also determine that the investment and operating subsidies provide a financial contribution, as described in section 771(5)(D)(i) of the Act, and a benefit as described in 771(5)(E)(i). Accordingly, we find this program to be countervailable.

The investment and operating subsidies provided in years prior to 1999 were already determined to be less than 0.5 percent of Usinor's sales of French-produced merchandise in the relevant year and expensed in the relevant year of receipt (see *French Plate*, 64 FR at 73283 and *French Stainless*, 64 FR at 30780). Therefore, because it is not possible for these subsidies to benefit Usinor in the POI, we have not further examined them. The amount of investment and operating subsidies in 1999 was also less than 0.5 percent of Usinor's sales of French-produced merchandise in 1999. Therefore, this benefit was also expensed in the years of receipt (1999), in accordance with 19 CFR 351.524(b)(2).

To calculate the benefit received during the POI, we divided the subsidies received by Usinor in the POI by Usinor's total sales of French-produced merchandise during the POI. Accordingly, we preliminarily determine Usinor's net subsidy rate for this program to be 0.19 percent *ad valorem*.

II. Programs Preliminarily Determined To Be Not Countervailable

A. Shareholder Advances After 1986

According to Usinor's 1991 financial statements, the funds in the shareholder advances account were the funds provided by the GOF under the Societes de Developpement Industriel ("SODI") program. Because we preliminarily find the funds received under the SODI program to not be countervailable (see discussion below), these advances are likewise not countervailable. However, at verification, we intend to examine the source of the funds in the shareholder advances account to determine if these funds are indeed SODI funds.

B. GOF Advances for SODIs

In *French Certain Steel*, we investigated advances made to SODIs prior to 1991 and found them not countervailable. 58 FR at 37310-11. In *French Plate*, we initiated an investigation of SODI advances after 1991. 64 FR at 73295. The information submitted by the petitioners in French Plate in support of investigating the advances to SODIs after 1991 was 1) an apparent discrepancy between the funding received from the GOF by Usinor and the funds ultimately loaned out by Usinor to the SODIs, and 2) the notification of the SODI program by the EU to the WTO. In *French Plate*, we did not make a final determination as to this program's countervailability because the allegation was not initiated upon in time to solicit adequate, verified information from all of the necessary respondents. *Id.*

In response to our questionnaires in this proceeding, Usinor has provided the amounts it received from the GOF and the amounts Usinor loaned to the SODIs. While the amounts received from the GOF do not match exactly the amounts loaned out by Usinor in any given year, over the entire period in which Usinor was receiving funds from the GOF, it did loan out all the funds it received from the GOF. Therefore, after 1991, the program continued to operate as it did prior to 1991. Consequently, for the reasons articulated in *French Certain Steel*, we preliminarily determine that the post-1991 SODI advances do not confer a countervailable subsidy on Usinor.

Moreover, a notification of a program to the WTO is not, in and of itself, a sufficient basis to find the program countervailable. In this respect, we note, but do not rely on, Article 25.7 of the Agreement on Subsidies and Countervailing Measures, which states that notification of a measure does not prejudice either the measure's legal

status or the nature of the measure. Thus, while notification of a program to the WTO may have warranted investigation of the measure, based on our investigation of the program, we have found that it is not a countervailable subsidy.

In the petition, the petitioners have alleged that the GOF funds were compensation for SODI expenses, and raised questions about the recording of SODI funds in Usinor's accounting records, whether and how repayments of loaned funds by the SODIs to Usinor were made, whether and how repayments of SODI advances by Usinor to the GOF were made, and Usinor's handling of any surplus funds. We intend to seek further information regarding these issues for our final determination.

C. Funding for Electric Arc Furnaces

In 1996, the GOF agreed to provide assistance in the form of reimbursable advances to support Usinor's research and development efforts regarding electric arc furnaces. The first disbursement of funds occurred on July 22, 1998, and the second on August 31, 1999.

We preliminarily find that this program provides a financial contribution because it is a direct transfer of funds, as described in section 771(5)(D)(i) of the Act. Regarding specificity, the GOF stated that, in 1997, FF 2 billion of assistance was provided to 190 projects under the general Grands Projects Innovants ("GPI") program, and that only three of the 39 projects selected in 1997 were in the raw materials sector (the sector that includes steel).

We preliminarily determine that the information reported by the GOF does not provide a basis for finding benefits under this program to be non-specific. First, Usinor's project was approved in 1996. However, the data provided by the GOF addresses 1997. Second, there is no information regarding the amount of benefits received by the companies in the raw material sector. Stating that it does not collect such information, the GOF did not provide the Department with any information indicating the actual distribution of benefits by company or by industry.

Regarding the benefit provided by this assistance, Usinor states that the amount of the advances is so small that any benefit would be virtually immeasurable.

Based upon our review of the amounts, we agree with Usinor that if we treated the disbursements as grants in the year they were received, the benefits would be expensed prior to the POI. Alternatively, if we treated the

reimbursable advances as short-term, zero interest contingent liabilities, consistent with 19 CFR 351.505(d)(i), the benefit to Usinor in the POI is 0.00 percent *ad valorem*. Therefore, we find no countervailable subsidy under this program.

This finding of non-countervailability is based upon the amounts received by Usinor to date under this program. Should Usinor receive additional funding under this program in the future, we will re-examine the program's countervailability at that time.

D. Funding for Myosotis Project

Since 1988, Usinor has been developing a continuous thin-strip casting process, called "Myosotis," in a joint venture with the German steelmaker, Thyssen. The Myosotis project is intended to eliminate the separate hot-rolling stage of Usinor's steelmaking process by transforming liquid metal directly into a coil between two to five millimeters thick.

To assist in this project, the GOF, through the Ministry of Industry and Regional Planning and L'Agence pour la Maitrise de L'energie ("AFME"), entered into three agreements with Usinor (in 1989) and Ugine (in 1991 and 1995). The first agreement, dated December 27, 1989, provided three payments, one in 1989, one in 1991, and one in 1993. The second agreement, between Ugine and the AFME, covered the cost of some equipment for the project. This second agreement resulted in two disbursements to Ugine from the AFME, one in 1991 and one in 1992. The third agreement, with Ugine, dated July 3, 1995, provided interest-free reimbursable advances for the final two-year stage of the project, with the goal of casting molten steel from ladles to produce thin strips. The first reimbursable advance under this agreement was made in 1997. Repayment of one-third of the reimbursable advance was due July 31, 1999. The remaining two-thirds are due for repayment on July 31, 2001.

In *French Plate* and *French Stainless*, we found these grants and advances to be countervailable. 64 FR at 73283 and 64 FR at 30780. However, the grants under the 1989 and 1991 agreements were found to be less than 0.5 percent of sales in the year of receipt and, therefore, expensed in the year of receipt. *Id.* Therefore, because it is not possible for these grants to benefit Usinor in the POI, we have not examined them further. The 1997 advance, however, was treated as a short-term interest-free loan in *French Plate* and *French Stainless*. *Id.*

The 1995 agreement for the reimbursable advance was made between the GOF and Ugine (a Usinor subsidiary which does not produce subject merchandise). However, in its supplemental questionnaire response, Usinor acknowledged that the technology being developed with these funds would also benefit carbon steel flat products (which includes subject merchandise). See Usinor Supplemental Questionnaire Response, dated January 16, 2002, at 12. Consequently, we have analyzed these reimbursable grants in this investigation.

We preliminarily find the reimbursable advance is a financial contribution, as described in section 771(5)(D)(i) of the Act. Regarding specificity, for the reasons described above regarding assistance for Usinor's development of an electric arc furnace, the information provided by the GOF does not provide a basis for finding this program non-specific. Regarding the benefit of the Myosotis assistance, Usinor has argued that the amount of the reimbursable advances is so small that any possible benefit would be immeasurable.

We agree with Usinor. If we treat the entire amount of the reimbursable advance received in 1997 as a grant in that year, the benefit would be less than 0.5% of total sales in that year, and would, thus, be expensed prior to the POI.

Alternatively, we could measure the benefit by treating a portion of the reimbursable advance as a grant and the remainder as a zero-interest contingent liability. According to Article 7a of the Myosotis Agreement (see GOF December 21, 2001 Questionnaire Response, at Exhibit 10, p. 5), and as stated above, Usinor was required to reimburse a portion of the advance on July 31, 1999 and the remainder on July 31, 2001. Article 7a additionally states that "[t]he portion of the advance which may not have been reimbursed pursuant to [this agreement] shall acquire the status of a subsidy. [T]he Beneficiary shall retain possession of this amount." Usinor has stated that it made only one payment thus far, in September 2001 (after the POI).

In light of this, the amount that was due on July 31, 1999, could be viewed as a grant received at the time the repayment was due. Dividing this grant by Usinor's sales in 1999, the benefit is less than 0.5 percent of sales in 1999, and, hence, would be expensed prior to the POI. The amount that was due on July 31, 2001, however, pursuant to 19 CFR 351.505(d)(1), and consistent with *French Plate*, is being treated as a short-

term, zero-interest contingent liability loan.

Treating the portion to be reimbursed on July 31, 2001, as a zero-interest contingent liability, we multiplied the amount outstanding by the short-term interest rate described in the section above "Subsidies Valuation Information: Benchmarks for Loans and Discount Rates." Since Usinor would have been required to make an interest payment on a comparable commercial loan during the POI, we calculated the benefit as the amount that would have been due during the POI. Dividing these interest savings by Usinor's sales of French-produced merchandise during the POI, the benefit to Usinor in the POI is 0.00 percent *ad valorem*. Therefore, we find no countervailable subsidy under this program.

This finding of non-countervailability is based upon the amounts received by Usinor to date under this program. Should Usinor receive additional funding under this program in the future, we will re-examine the program's countervailability at that time.

E. ECSC Article 56 Funding

According to the petitioners, ECSC Article 56 funds are targeted to promote employment and economic revitalization in regions of declining steel activity. Both steel-related and non-steel-related industries are eligible for assistance. Conversion loans are provided at reduced rates of interest and may be granted directly to companies or as global loans to financial institutions which then issue sub-loans to individual companies. Borrowers may also qualify for interest subsidies on all or part of a conversion loan, contingent upon the geographic location of the recipient or on the recipient agreeing that some percentage of the new jobs created will be reserved primarily for unemployed steel workers.

The EC states that Usinor did not benefit from this program because it merely acts as a conduit in advancing ECSC Article 56 funds to SODIs which, in turn, re-loan the funds to small- and medium-sized businesses.

We preliminarily find that, because Usinor was acting only as a conduit for Article 56(2)(a) funds for the benefit of third-party companies, Usinor receives no benefit under this program and, hence, no countervailable subsidy.

However, it is not clear at this stage how Usinor handles the repayment of loan funds from loan recipients (*i.e.*, what are the repayment terms, what does Usinor do with the repaid funds, and what are the repayment terms with the government). We intend to seek

further information regarding these issues for our final determination.

F. 1995 Capital Increase

The petitioners have alleged that, by authorizing a capital increase of FF 5 billion at the time of Usinor's 1995 privatization, the GOF conferred a benefit upon Usinor in the amount of the increased capital. Specifically, they argue that the GOF "directed or entrusted" private entities to infuse capital into Usinor.

As an initial matter, we note that the arguments set forth by the petitioners may constitute a subsidy allegation made in untimely manner. According to 19 CFR 351.301(d)(4)(i)(A) of the Department's regulations, a subsidy allegation in an investigation is due no later than 40 days before the scheduled date of the preliminary determination. The record shows that the first instance on which the petitioners presented this particular argument was a submission dated February 19, 2002, merely seven days before the scheduled date of the preliminary determination (February 25, 2001). We note that their allegation does not rely on any new information developed in the course of this investigation. Nor did the alleged changes in the Department's practice occur after the filing of the petition. Nevertheless, in light of the obligation under section 775 of the Act to investigate potential subsidies discovered in the course of an investigation, we have reviewed the evidence on the record of this proceeding regarding the new shares issued by Usinor in connection with its privatization.

The capital increase identified by the petitioners was previously examined in *French Stainless* and *French Plate*. In those proceedings, we determined that the GOF did not forego any revenue by authorizing this capital increase. 64 FR at 30787. We also stated that we did not reach the issue of whether private investors were "entrusted" to provide a subsidy because we found that no subsidy existed. *Id.* Therefore, we found that no countervailable subsidy was conferred by this capital increase.

The petitioners in this proceeding have asked the Department to analyze this capital increase again based on their allegation that Usinor was unequityworthy at the time of the capital increase. The petitioners also point to developments in the Department's practice since *French Stainless* and *French Plate*, the Department's treatment of committed investments, and 19 CFR 351.507(a)(4)(i) and (ii).

Regarding the petitioners' claim that Usinor was inequityworthy in 1995, the petitioners have cited the company's poor performance in the years proceeding the privatization. Under 19 CFR 351.507(a)(4)(i)(B), we consider past indicators of performance, but we also consider, under 19 CFR 351.507(a)(4)(i)(D), equity investments by private investors. Given that 75 percent of Usinor's shares previously owned by the government were purchased by private investors in the 1995 privatization, we believe that investment in the company was consistent with the practice of private investors (see section 771(5)(E)(i) of the Act).

Regarding the petitioners' reference to changes in the Department's practice, we do not believe the two precedents cited by the petitioners (*Certain Cut-to-Length Carbon Steel Plate From Mexico: Final Results of Countervailing Duty Administrative Review*, 66 FR 14549 (March 13, 2001) and *Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Carbon Steel Flat Products from Argentina*, 66 FR 37007 (July 16, 2001)) lead us to view this transaction differently. As noted above, we found no revenue forgone as a result of this capital increase. Also, because Usinor was equityworthy at the time, private investors have not been entrusted or directed to provide a subsidy. Finally, 19 CFR 351.507(a)(4)(ii) addresses situations where a government did not preform a study prior to an investment. In this instance, the investors are private entities.

Based on the above, we preliminarily do not find this allegation to be a basis for finding a subsidy.

III. Programs Preliminarily Determined To Be Not Used

Based on the information provided in the responses, we determine that neither Usinor nor its affiliated companies that produce subject merchandise received benefits under the following programs during the POI:

A. Repayable Grant to Sollac for "Pre-Coating" Technology

Usinor claims that, while Sollac was approved for funding under this program, no funds have yet been disbursed. Therefore, there is no benefit during the POI.

B. Tax Subsidies Under Article 39

C. ESF Grants

While the Department normally treats benefits from worker training programs to be recurring (see 19 CFR 351.524(c)(1)), we have found in several

cases that European Social Fund ("ESF") grants relate to specific, individual projects that require separate approval. See, e.g., *French Stainless* at 30781.

Usinor records ESF benefits as investment/operating subsidies. Because we find, for 1999, that these subsidies were less than 0.5 percent of Usinor's total sales of French produced merchandise in 1999, any benefits in 1999 would have been expensed in 1999. In addition, for the POI, Usinor claims it did not receive any benefits under the ESF program.

D. ECSC Article 54 Loans

E. ERDF Funding

F. Funding Under Resider and Resider II

Verification

In accordance with section 782(i)(1) of the Act, we will verify the information submitted by the respondents prior to making our final determination.

Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated an individual rate for each manufacturer of the subject merchandise. We preliminarily determine the total estimated net countervailable subsidy rates to be:

Producer/Exporter	Net subsidy rate (percent)
Usinor	1.32
All Others	1.32

In accordance with sections 777A(e)(2)(B) and 705(c)(5)(A), we have set the "all others" rate as Usinor's rate, because it is the only company which was individually investigated.

In accordance with section 703(d) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all entries of certain cold-rolled carbon steel flat products from France for exports which are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the **Federal Register**, and to require a cash deposit or bond for such entries of the merchandise in the amounts indicated above. This suspension will remain in effect until further notice.

ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this

investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms 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.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

Public Comment

In accordance with 19 CFR 351.310, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on this preliminary determination. The hearing is tentatively scheduled to be held 57 days from the date of publication of this preliminary determination, at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230. Individuals who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, NW, Washington, DC 20230. Requests for a public hearing should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reason for attending; and (4) a list of the issues to be discussed. An interested party may make an affirmative presentation only on arguments included in that party's case brief and may make a rebuttal presentation only on arguments included in that party's rebuttal brief. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

In addition, six copies of the business proprietary version and six copies of the nonproprietary version of the case briefs must be submitted to the Assistant Secretary no later than 50 days from the publication of this notice. As part of the case brief, parties are encouraged to provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Six copies of the business proprietary version and six copies of the nonproprietary version of the rebuttal briefs must be submitted to the Assistant Secretary no later than 5 days after the filing of case briefs. Written arguments should be submitted in accordance with 19 CFR 351.309 and

will be considered if received within the time limits specified above.

This determination is published pursuant to sections 703(f) and 777(i) of the Act.

Dated: February 25, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 02-5105 Filed 3-1-02; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-357-817]

Notice of Preliminary Negative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determinations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina

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

ACTION: Preliminary determination of countervailing duty investigation.

SUMMARY: The Department of Commerce preliminarily determines that countervailable subsidies are not being provided to producers or exporters of certain cold-rolled carbon steel flat products from Argentina.

EFFECTIVE DATE: March 4, 2002.

FOR FURTHER INFORMATION CONTACT: Suresh Maniam or Jarrod Goldfeder at (202) 482-0176 or (202) 482-0189, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Preliminary Determination

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the "Act") by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department of Commerce's (the "Department") regulations are to our regulations as codified at 19 CFR part 351 (2001).

The Petitioners

The petition in this investigation was filed by Bethlehem Steel Corp., United States Steel LLC., LTV Steel Co., Inc., Steel Dynamics, Inc., National Steel

Corp., Nucor Corp., WCI Steel, Inc., and Weirton Steel Corp. (collectively, "the petitioners").

Case History

The following events have occurred since the publication of the notice of initiation in the **Federal Register** (see *Notice of Initiation of Countervailing Duty Investigations: Certain Cold-Rolled Carbon Steel Flat Products From Argentina, Brazil, France, and the Republic of Korea*, 66 FR 54218 (October 26, 2001) ("Initiation Notice")).

On November 2, 2001, we issued a countervailing duty questionnaire to the Government of Argentina ("GOA") and Siderar Sociedad Anonima Industrial Y Comercial ("Siderar"), a producer/exporter of the subject merchandise from Argentina. Our decision to select Siderar to respond to our questionnaire is explained in the Memorandum to Susan H. Kuhbach, "Respondent Selection," dated November 2, 2001, which is on file in the Central Records Unit, room B-099 of the main Department building.

On November 30, 2001, we extended the time limit for the preliminary determination of this investigation to January 28, 2002. See *Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and the Republic of Korea: Extension of Time Limit for Preliminary Determinations in Countervailing Duty Investigations*, 66 FR 63523 (December 7, 2001).

On November 15, 2001, Emerson Electric Co. submitted a request to exclude certain merchandise from the scope of this investigation. On February 22, 2002, the petitioners submitted an objection to this request. See section below on "Scope of the Investigation: Scope Comments" for an analysis of these submissions and the Department's determination.

We received a questionnaire response from the GOA and Siderar on December 21, 2001. The petitioners submitted comments regarding these questionnaire responses on January 2, 2002.

We issued supplemental questionnaires to the GOA and Siderar on January 22, 2002, and received responses to these questionnaires on February 6, 2002.

On January 18, 2002, we further extended the time limit for the preliminary determination in this investigation until February 25, 2002. See *Certain Cold-Rolled Carbon Steel Flat Products from Argentina, Brazil, France, and the Republic of Korea: Extension of Time Limit for Preliminary Determinations in Countervailing Duty Investigations*, 67 FR 3482 (January 24, 2002).

Scope of the Investigation

For purposes of this investigation, the products covered are certain cold-rolled (cold-reduced) flat-rolled carbon-quality steel products. For a full description of the scope of this investigation, see the Appendix to this notice.

Scope Comments

In the *Initiation Notice*, we invited comments on the scope of this proceeding. On November 15, 2001, we received a request from Emerson Electric Company ("Emerson") to amend the scope of this investigation, as well as the concurrent countervailing and antidumping duty investigations pertaining to subject merchandise. Specifically, Emerson requested that the scope be amended to exclude all types of nonoriented coated silicon electrical steel, whether fully- or semi-processed, because such products are not treated in the marketplace as carbon steel products.

On February 22, 2002, we received a response to the Emerson request from the petitioners. The petitioners objected to excluding these products from the scope and have explained that the scope language is not overly inclusive with respect to these products. Therefore, we determine that nonoriented coated silicon electric steel is within the scope of these proceedings.

The Department has also received several other scope exclusion requests in the cold-rolled steel investigations. We are continuing to examine these exclusion requests, and plan to reach a decision as early as possible in the proceedings. Interested parties will be advised of our intentions prior to the final determinations and will have the opportunity to comment.

Injury Test

Because Argentina is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, the U.S. International Trade Commission ("ITC") is required to determine whether imports of the subject merchandise from Argentina materially injure, or threaten material injury to, a U.S. industry. On November 19, 2001, the ITC published its preliminary determination finding that there is a reasonable indication of material injury or threat of material injury to an industry in the United States by reason of imports of certain cold-rolled carbon steel flat products from Argentina. See *Certain Cold-Rolled Steel Products From Argentina, Australia, Belgium, Brazil, China, France, Germany, India, Japan, Korea, Netherlands, New Zealand, Russia, South Africa, Spain, Sweden,*