

**FOR FURTHER INFORMATION CONTACT:**

Alessandra Cortez or Ozlem Koray, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-5925 or (202) 482-3675.

**SUPPLEMENTARY INFORMATION:****Background**

On January 2, 2004, the Department published the notice of initiation of sunset review of the antidumping duty finding on PSPT from Italy pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act").<sup>1</sup> The Department received the notice of intent to participate on behalf of 3M Company ("3M"), a domestic interested party, within the deadline specified in section 351.218(d)(1)(I) of the Department's Regulations ("Sunset Regulations"). 3M claimed interested party status under section 771(9)(C) of the Act as a U.S. producer of a domestic like product. We received a complete substantive response from 3M within the 30-day deadline specified in the Sunset Regulations under section 351.218(d)(3)(i).

We did not receive a substantive response from any interested party respondents in this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of this finding.

**Scope of Review**

The products covered in this review are shipments of PSPT measuring over one and three-eighths inches in width and not exceeding four millimeters in thickness. The above described PSPT is classified under HTS subheading 3919.90.50.<sup>2</sup> On May 7, 1992, the Department issued a scope ruling on highlighting "note tape" and determined that it was not within the scope of the finding. *See* Scope Rulings, 57 FR 19602 (May 7, 1992). The HTS subheadings are provided for convenience and for customs purposes. The written description remains dispositive.

**Analysis of Comments Received**

All issues raised in this case by 3M are addressed in the "Issues and

Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated May 3, 2004, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the finding were to be revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading "May 2004." The paper copy and electronic version of the Decision Memorandum are identical in content.

**Final Results of Review**

We determine that revocation of the antidumping duty finding on PSPT from Italy would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Italy manufacturers/exporters/producers weighted average	Margin percent
Comet SARA, S.p.A .....	10
Manuli Autoadesivi (Manuli) .....	*10
All Others .....	10

\* Tyco Adhesives Italia S.p.A became a successor-in-interest company to Manuli Tapes S.p.A. *See* Final Results of Antidumping Duty Changed Circumstances Review: Pressure Sensitive Plastic Tape from Italy, 69 FR 15297 (March 25, 2004).

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or 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 violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: May 3, 2004.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E4-1074 Filed 5-10-04; 8:45 am]

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**DEPARTMENT OF COMMERCE****International Trade Administration**

[C-122-815]

**Pure Magnesium and Alloy Magnesium From Canada: Preliminary Results of Countervailing Duty Administrative Reviews**

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

**ACTION:** Notice of preliminary results of countervailing duty administrative reviews.

**SUMMARY:** The Department of Commerce is conducting administrative reviews of the countervailing duty orders on pure magnesium and alloy magnesium from Canada for the period January 1, 2002, through December 31, 2002. We preliminarily find that certain producers/exporters have received countervailable subsidies during the period of review. If the final results remain the same as these preliminary results, we will instruct the U.S. Bureau of Customs and Border Protection to assess countervailing duties as detailed in the "Preliminary Results of Reviews" section of this notice. Interested parties are invited to comment on these preliminary results (*see* the Public Comment section of this notice).

**EFFECTIVE DATE:** May 11, 2004.

**FOR FURTHER INFORMATION CONTACT:**

Melanie Brown, AD/CVD Enforcement, Group I, Office 1, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone: (202) 482-4987.

**Case History**

On August 31, 1992, the Department of Commerce ("the Department") published in the **Federal Register** the countervailing duty orders on pure magnesium and alloy magnesium from Canada (*see Final Affirmative Countervailing Duty Determinations: Pure Magnesium and Alloy Magnesium from Canada*, 57 FR 39392 (July 13, 1992)). On August 1, 2003, the Department published a notice of "Opportunity to Request Administrative Review" of these countervailing duty orders (*see Antidumping or Countervailing Duty Order, Finding, or*

<sup>1</sup> Initiation of Five-Year (Sunset) Reviews, 69 FR 50 (January 2, 2004).

<sup>2</sup> HTS number 3919.90.20 was incorrectly included in the first sunset review, but later determined to be an invalid number. Pressure Sensitive Plastic Tape From Italy, USITC Pub. 3157, p. I-4, fn. 8 (February 1999).

*Suspended Investigation; Opportunity to Request Administrative Review*, 68 FR 45218). We received timely requests for review from Norsk Hydro Canada, Inc. (“NHCI”), Magnola Metallurgy, Inc. (“Magnola”) and from the petitioner, U.S. Magnesium, LLC. On September 30, 2003, we initiated these reviews covering shipments of subject merchandise from NHCI and Magnola (see *Initiation of Antidumping and Countervailing Duty Administrative Reviews, Request for Revocation in Part and Deferral of Administrative Review*, 68 FR 56262).

On November 13, 2003, we issued countervailing duty questionnaires to NHCI, Magnola, the Government of Québec (“GOQ”), and the Government of Canada (“GOC”). We received questionnaire responses from NHCI and Magnola on December 19, 2003, and from the GOQ and the GOC on December 22, 2003. A supplemental questionnaire was issued to Magnola on January 15, 2004. We received Magnola’s supplemental questionnaire response on January 27, 2004.

#### Scope of the Reviews

The products covered by these reviews are shipments of pure and alloy magnesium from Canada. Pure magnesium contains at least 99.8 percent magnesium by weight and is sold in various slab and ingot forms and sizes. Magnesium alloys contain less than 99.8 percent magnesium by weight with magnesium being the largest metallic element in the alloy by weight, and are sold in various ingot and billet forms and sizes.

The pure and alloy magnesium subject to review is currently classifiable under items 8104.11.0000 and 8104.19.0000, respectively, of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheadings are provided for convenience and customs purposes, the written descriptions of the merchandise subject to the orders are dispositive.

Secondary and granular magnesium are not included in the scope of these orders. Our reasons for excluding granular magnesium are summarized in *Preliminary Determination of Sales at Less Than Fair Value: Pure and Alloy Magnesium From Canada*, 57 FR 6094 (February 20, 1992).

#### Period of Review

The period of review (“POR”) for which we are measuring subsidies is January 1, 2002 through December 31, 2002.

#### Subsidies Valuation Information

*Discount Rate:* As noted below, the Department preliminarily finds that NHCI and Magnola benefitted from countervailable subsidies during the POR. In accordance with 19 CFR 351.524(d)(3), it is the Department’s preference to use a company’s long-term, fixed-rate cost of borrowing in the same year a grant was approved as the discount rate. However, where a company does not have a loan that can be used as a discount rate, the Department’s next preference is to use the average cost of long-term fixed-rate loans in the country in question. In the investigation and previous reviews, the Department determined that NHCI received and benefitted from countervailable subsidies from the Article 7 grant from the Québec Industrial Development Corporation (“Article 7 grant”). (See e.g., Final Affirmative Countervailing Duty Determinations: Pure Magnesium and Alloy Magnesium from Canada, 57 FR 30946 (July 13, 1992) (“*Magnesium Investigation*”).) In line with the Department’s practice, we used NHCI’s cost of long-term, fixed-rate debt in the year in which the Article 7 grant was approved as the discount rate for purposes of calculating the benefit pertaining to the POR.

In the *Final Results of Pure Magnesium from Canada: Notice of Final Results of Countervailing Duty New Shipper Review* (“*New Shipper Review*”), 68 FR 22359 (April 28, 2003), we found that Magnola benefitted from grants under the Emploi-Québec Manpower Training Measure Program (“MTM Program”). Magnola did not have any long-term fixed rate debt during the years the grants were approved. Therefore, consistent with our previous decision, we continue to use long-term commercial bond rates for purposes of calculating the benefit attributable to the POR.

*Allocation Period:* In the investigations and previous administrative reviews of these cases, the Department used as the allocation period for non-recurring subsidies the average useful life (“AUL”) of renewable physical assets in the magnesium industry as recorded in the Internal Revenue Service’s 1977 Class Life Asset Depreciation Range System (“the IRS tables”), i.e., 14 years. Pursuant to § 351.524(d)(2) of the Department’s regulations, we use the AUL in the IRS tables as the allocation period unless a party can show that the IRS tables do not reasonably reflect either the company-specific or country-wide AUL for the industry. During this

review, none of the parties contested using the AUL reported for the magnesium industry in the IRS tables. Therefore, we continue to allocate non-recurring benefits over 14 years.

For non-recurring subsidies, we applied the “0.5 percent expense test” described in § 351.524(b)(2) of the Department’s regulations. In 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 the subsidies is less than 0.5 percent of sales, the benefits are expensed in their entirety, in the year of receipt, rather than allocated over the AUL period.

#### Analysis of Programs

##### *I. Programs Preliminarily Determined To Confer Countervailable Subsidies*

A. Article 7 Grant From the Québec Industrial Development Corporation (“SDI”)

SDI (Société de Développement Industriel du Québec) administers development programs on behalf of the GOQ. SDI provides assistance under Article 7 of the SDI Act in the form of loans, loan guarantees, grants, assumptions of costs associated with loans, and equity investments. This assistance is provided for projects that are capable of having a major impact upon the economy of Québec. Article 7 assistance greater than 2.5 million dollars must be approved by the Council of Ministers and assistance over 5 million dollars becomes a separate budget item under Article 7. Assistance provided in such amounts must be of “special economic importance and value to the province.” (See *Magnesium Investigation*, 57 FR at 30948.)

In 1988, NHCI was awarded a grant under Article 7 to cover a large percentage of the cost of certain environmental protection equipment. In the *Magnesium Investigation*, the Department determined the Article 7 grant confers a countervailable subsidy within the meaning of section 771(5) of the Tariff Act of 1930, as amended (“the Act”). The grant is a direct transfer of funds from the GOQ bestowing a benefit in the amount of the grant. We previously determined that NHCI received a disproportionately large share of assistance under this program, and on this basis, we determined that the Article 7 grant was limited to a specific enterprise or industry, or group of enterprises or industries, within the meaning of section 771(5A)(D)(iv) of the Act. In these reviews, neither the GOQ nor NHCI has provided new information

which would warrant reconsideration of this determination.

In the *Magnesium Investigation*, the Department determined that the Article 7 assistance received by NHCI constituted a non-recurring grant because it represented a one-time provision of funds. In the *Preliminary Results of First Countervailing Duty Administrative Reviews: Pure Magnesium and Alloy Magnesium From Canada*, 61 FR 11186, 11187 (March 19, 1996), we found this determination to be consistent with the principles enunciated in the Allocation section of the *General Issues Appendix ("GIA")* appended to the *Final Countervailing Duty Determination; Certain Steel Products from Austria*, 58 FR 37225, 37226 (July 9, 1993). In the current reviews, no new information has been placed on the record that would cause us to depart from this treatment. To calculate the benefit, we performed the expense test, as explained in the AUL section above, and found that the benefits approved were more than 0.5 percent of NHCI's total sales. Therefore, we allocated the benefits over time. We used the grant methodology as described in § 351.524(d) of the Department's regulations to calculate the amount of benefit allocable to the POR. We then divided the benefit attributable to the POR by NHCI's total sales of Canadian-manufactured products in the POR. On this basis, we preliminarily determine the countervailable subsidy from the Article 7 grant to be 1.07 percent ad valorem for NHCI.

#### B. Emploi-Québec Manpower Training Program

The MTM Program is a labor-focused program designed to improve and develop the labor market in the region of Québec. It is implemented by the Emploi-Québec ("E-Q"), a labor unit within Québec's Ministry of Employment and Solidarity (Ministère de L'Emploi et de la Solidarité sociale), and funded by the GOQ. The Program provides grants to companies in Québec that have training programs approved by the E-Q. Up to 50 percent of a company's training expenses, normally over a period of 24 months, are reimbursed under the MTM program if the training programs satisfy the E-Q's five policy objectives of job preparation, job integration, job management, job stabilization, and job creation.

Once the five objectives are met, companies with small-scale projects are eligible to receive reimbursement of 50 percent of their labor training expenses, up to a maximum reimbursement of \$100,000. Major economic projects are

required to: (1) Create either 50 jobs or 100 jobs in 24 months, depending on whether the company is a new company or a company that has been in operation; (2) have the approval of the Ministry's Commission des partenaires du marché du travail; and (3) agree to close monitoring by the E-Q. The \$100,000 reimbursement limit does not apply to major economic projects. (See *New Shipper Review* and accompanying Issues and Decision Memorandum at "Analysis of Programs.")

In 1998 and 2000, the E-Q approved grants to reimburse 50 percent of Magnola's training expenses. Magnola received the MTM grants in 1999, 2000 and 2001. In the *New Shipper Review*, the Department found that the MTM program assistance received by Magnola, constituted countervailable benefits within the meaning of section 771(5) of the Act. They are a direct transfer of funds from the GOQ bestowing a benefit in the amount of the grants. We also found Magnola received a disproportionately large share of assistance under the MTM program and, on this basis, we found the grants to be limited to a specific enterprise or industry, or group of enterprises or industries, within the meaning of section 771(5A)(D)(iv) of the Act. In these reviews, neither the GOQ nor Magnola has provided new information which would warrant reconsideration of this determination.

In accordance with 19 CFR 351.524(c)(1) and (2), we treated the grants as non-recurring. In the current reviews, no new information has been provided that would warrant reconsideration of these determinations. To calculate the benefit, we performed the expense test, as explained in the AUL section above, and found that the benefits approved were more than 0.5 percent of Magnola's total sales. Therefore, we allocated the benefits over time. We used the grant methodology as described in § 351.524(d) of the Department's regulations to calculate the amount of benefit allocable to the POR. We then divided the benefit attributable to the POR by Magnola's total sales in the POR. On this basis, we preliminarily find the net subsidy rate from the MTM program to be 1.84 percent ad valorem for Magnola.

#### II. Programs Preliminarily Determined To Be Not Used

We examined the following programs and preliminarily determine that neither NHCI nor Magnola applied for or received benefits under these programs during the POR:

St. Lawrence River Environment Technology Development Program.

Program for Export Market Development.

The Export Development Corporation. Canada-Québec Subsidiary Agreement on the Economic Development of the Regions of Québec.

Opportunities to Stimulate Technology Programs.

Development Assistance Program. Industrial Feasibility Study Assistance Program.

Export Promotion Assistance Program.

Creation of Scientific Jobs in Industries.

Business Investment Assistance Program.

Business Financing Program.

Research and Innovation Activities Program.

Export Assistance Program.

Energy Technologies Development Program.

Transportation Research and Development Assistance Program.

#### III. Program Previously Determined To Be Terminated

Exemption from Payment of Water Bills.

#### Alleged Over-Assessment of Countervailing Duties

In its December 22, 2003 questionnaire response, NHCI revisits an argument it previously raised in the 2001 administrative reviews. NHCI contends that the Department should adjust the assessment rate applied to the value of entries made during the current POR in order to avoid alleged over-countervailing in connection with cash deposits retained on 1997 entries. NHCI states that the Department issued appropriate liquidation instructions to the U.S. Bureau of Customs and Border Protection ("CBP") following the completion of the 1997 administrative reviews, but that the CBP erroneously liquidated hundreds of NHCI entries at the cash deposit rate at the time of entry, rather than at the rate established in the final results of the 1997 administrative reviews.

In the 2001 administrative reviews, the Department determined that it does not have the statutory authority to address what is properly a customs protest issue concerning entries from a prior, completed review in the context of a subsequent administrative review. (See *Pure Magnesium and Alloy Magnesium from Canada: Final Results of Countervailing Duty Administrative Reviews*, 68 FR 53962 (September 15, 2003) ("Final Results"), and accompanying Issues and Decision Memorandum, at Comment (1). We note that NHCI has challenged this

determination at the Court of International Trade. No new information or argument has been presented in these reviews which would warrant reconsideration of this determination. Therefore, for the reasons stated in the *Final Results* of the 2001 administrative reviews, we continue to find that the Department does not have the statutory authority to adjust the assessment rate as requested by NHCI.

### Preliminary Results of Reviews

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to these administrative reviews. For the period January 1, 2002, through December 31, 2002, we preliminarily determine the net subsidy rates for producers/exporters under review to be those specified in the chart shown below. If the final results of these reviews remain the same as these preliminary results, the Department intends to instruct the CBP to assess countervailing duties at these net subsidy rates. We will disclose our calculations to the interested parties in accordance with § 351.224(b) of the Department's regulations.

Company	Ad valorem rate (percent)
Norsk Hydro Canada, Inc. ....	1.07
Magnola Metallurgy, Inc. ....	1.84

### Cash Deposit Instructions

The Department also intends to instruct the CBP to collect cash deposits of estimated countervailing duties at the rate specified on the f.o.b. value of all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of these administrative reviews.

We will instruct the CBP to continue to collect cash deposits for non-reviewed companies (except Timminco Limited which was excluded from the orders during the investigations) at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rate that will be applied to non-reviewed companies covered by these orders is that established in *Pure and Alloy Magnesium From Canada; Final Results of the Second (1993) Countervailing Duty Administrative Reviews*, 62 FR 48607 (September 16, 1997) or the company-specific rate published in the most recent final results of an administrative review in which a company participated. These

rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested.

### Public Comment

Interested parties may request a hearing within 30 days of the date of publication of this notice. Any hearing, if requested, will be held two days after the scheduled date for submission of rebuttal briefs (*see below*). Interested parties may submit written arguments in case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than five days after the date of filing the case briefs. Parties who submit briefs in these proceedings should provide a summary of the arguments not to exceed five pages and a table of statutes, regulations, and cases cited. Copies of case briefs and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR 351.309(c)(1)(ii), are due.

The Department will publish a notice of the final results of these administrative reviews within 120 days from the publication of these preliminary results.

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

Dated: May 3, 2004.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-122-838]

#### Initiation of Antidumping Duty Changed Circumstances Review: Certain Softwood Lumber Products From Canada

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

**EFFECTIVE DATE:** May 11, 2004.

**ACTION:** Notice of initiation of changed circumstances review.

**SUMMARY:** In accordance with 19 CFR 351.216(b) (2003), the Coalition for Fair

Lumber Imports Executive Committee, the petitioner in this case, filed a request for a changed circumstances review of the antidumping duty order on certain softwood lumber products from Canada, as described below. In response to this request, the Department of Commerce (the Department) is initiating a changed circumstances review of the antidumping order on certain softwood lumber from Canada.

**FOR FURTHER INFORMATION CONTACT:** Amber Musser or Constance Handley, at (202) 482-1777 or (202) 482-0631, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

**SUPPLEMENTARY INFORMATION:** As a result of the antidumping duty order issued following the completion of the less-than-fair-value investigation of certain softwood lumber products from Canada, imports of softwood lumber from Canfor Corporation (Canfor) and Slocan Forest Products (Slocan), which were both respondents, received company-specific cash-deposit rates (*see Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Order: Certain Softwood Lumber Products from Canada*, 67 FR 36068 (May 22, 2002)). Both companies are participating as separate companies in the ongoing first administrative review of this order, which covers the period May 22, 2002, through April 30, 2003. The petitioner has provided the Department of Commerce (the Department) with information indicating that as of April 1, 2004, Canfor and Slocan completed the merger of their lumber operations.<sup>1</sup> As a result, the petitioner is requesting that the Department initiate a changed circumstances review to establish a new cash-deposit rate for the merged entity. *Id.*

### Scope of the Order

The products covered by this order are softwood lumber, flooring and siding (softwood lumber products). Softwood lumber products include all products classified under headings 4407.1000, 4409.1010, 4409.1090, and 4409.1020, respectively, of the Harmonized Tariff Schedule of the United States (HTSUS), and any softwood lumber, flooring and siding described below. These softwood lumber products include:

(1) Coniferous wood, sawn or chipped lengthwise, sliced or peeled, whether or

<sup>1</sup> See letter from the petitioner to the Department, dated April 22, 2004.