

the Department's Web site at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. The process now requires the submission of a separate-rate status application.

Due to the large number of firms requesting an administrative review in this proceeding, the Department is requiring all firms listed above that wish to qualify for separate-rate status in this administrative review to complete, as appropriate, either a separate-rate status application or certification, as described below.

For this administrative review, in order to demonstrate separate-rate eligibility, the Department requires entities for whom a review was requested that were assigned a separate rate in the less than fair value investigation of this proceeding to certify that they continue to meet the criteria for obtaining a separate rate. The certification form will be available on the Department's Web site at <http://ia.ita.doc.gov/> on the date of publication of this **Federal Register**. In responding to the certification, please follow the "Instructions for Filing the Certification" in the Separate Rate Certification. Certifications are due to the Department no later than March 21, 2007. The deadline and requirement for submitting a Certification applies equally to NME-owned firms, wholly foreign-owned firms, and foreign sellers who purchase the subject merchandise and export it to the United States.

For entities that have not previously been assigned a separate rate, to demonstrate eligibility for such, the Department requires a separate-rate status application. The separate-rate status application will be available on the Department's Web site at <http://ia.ita.doc.gov/> on the date of publication of this **Federal Register**. In responding to the separate-rate status application, refer to the instructions contained in the application. Separate-rate status applications are due to the Department no later than May 7, 2007. The deadline and requirement for submitting a separate-rate status application applies equally to NME-owned firms, wholly foreign-owned firms, and foreign sellers that purchase the subject merchandise and export it to the United States.

Section 777A(c)(1) of the Tariff Act of 1930, as amended ("the Act") directs the Department to calculate individual dumping margins for each known exporter and producer of the subject merchandise. Where it is not practicable to examine all known producers/exporters of subject merchandise, section 777A(c)(2) of the Act permits the Department to examine either (1) a sample of exporters, producers or types of products that is statistically valid

based on the information available at the time of selection; or (2) exporters and producers accounting for the largest volume of the subject merchandise from the exporting country that can be reasonably examined. Due to the large number of firms requested for an administrative review and the Department's experience regarding the resulting administrative burden to review each company for which a request has been made, the Department is considering exercising its authority to limit the number of respondents selected for review using one of the two methods described above.

#### Quantity and Value Questionnaire

In advance of issuance of the antidumping questionnaire, we will also be requiring all parties for whom a review is requested to respond to a Quantity and Value ("Q&V") questionnaire, which will request information on the respective quantity and U.S. dollar sales value of all exports to the United States of wooden bedroom furniture during the period of January 1, 2006, through December 31, 2006. Additionally, in the event sampling is employed, in order to determine a sampling method that is representative of the sales under review, the Department will require that each company complete the economic characteristics section of the Q&V questionnaire. The Q&V questionnaire will be available on the Department's Web site at <http://ia.ita.doc.gov/> on the date of publication of this **Federal Register**. The responses to the Q&V questionnaire are due to the Department no later than March 21, 2007. Due to the time constraints imposed by our statutory and regulatory deadlines, and the need to preserve the statistical validity of the sampling methodology, the Department may not be able to grant any extensions for the submission of the Q&V questionnaire. In responding to the Q&V questionnaire, refer to the instructions contained in the Q&V questionnaire.

#### Notice

This notice constitutes public notification to all firms requested for review and seeking separate-rate status in this administrative review of the antidumping duty order on wooden bedroom furniture from the PRC that they must submit a separate-rate status application or certification (as appropriate) as described above, and a complete response to the Q&V questionnaire within the time limits established in this notice of initiation of administrative review in order to receive consideration for separate-rate

status. In other words, the Department will not give consideration to any separate-rates certification or separate rate-status application made by parties who fail to timely respond to the Q&V questionnaire or fail to timely submit the requisite separate-rate certification or application. All information submitted by respondents in this administrative review is subject to verification. To allow the possibility for sampling and to complete this segment within the statutory time frame, the Department will be limited in its ability to extend deadlines on the above submissions. As noted above, the separate-rate certification, the separate-rate status application, and the Q&V questionnaire will be available on the Department's Web site at <http://ia.ita.doc.gov/> on the date of publication of this **Federal Register**. However, the Department will also issue, as a courtesy to the parties, a letter of notification of these requirements to the parties requested for review.

Interested parties must submit applications for disclosure under administrative protective orders in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's Web site at <http://ia.ita.doc.gov/>.

This initiation and notice are in accordance with section 751(a) of the Act (19 U.S.C. 1675(a)), and 19 CFR 351.221(c)(1)(i).

Dated: February 28, 2007.

**Wendy J. Frankel,**

*Director AD/CVD Operations, Office 8 for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-580-837]

#### Notice of Preliminary Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate From the Republic of Korea

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

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on certain cut-to-length carbon-quality steel plate (CTL plate) from the Republic of Korea (Korea) for the period January 1, 2005, through December 31, 2005, the period of review (POR). For information

on the net subsidy rate for the reviewed company, see the "Preliminary Results of Review" section of this notice. Interested parties are invited to comment on these preliminary results. See the "Public Comment" section of this notice.

**EFFECTIVE DATE:** March 7, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Jolanta Lawska or Kristen Johnson, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3862 or (202) 482-4793, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On February 10, 2000, the Department published in the **Federal Register** the CVD order on CTL plate from Korea. See *Notice of Amended Final Determination: Certain Cut-to-Length Carbon-Quality Steel Plate From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-to-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587 (February 10, 2000) (*CTL Plate Order*). On February 1, 2006, the Department published a notice of opportunity to request an administrative review of this CVD order. See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 5239 (February 1, 2006). On February 28, 2006, we received a timely request for review from Dongkuk Steel Mill Co., Ltd. (DSM), a Korean producer and exporter of subject merchandise. On April 5, 2006, the Department initiated an administrative review of the CVD order on CTL plate from Korea, covering January 1, 2005, through December 31, 2005. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Deferral of Administrative Reviews*, 71 FR 17077 (April 5, 2006).

On July 6, 2006, the Department issued a questionnaire to the Government of Korea (GOK) and DSM. We received questionnaire responses from DSM and the GOK on September 12, 2006.

On October 16, 2006, the Department published in the **Federal Register** an extension of the deadline for the preliminary results. See *Certain Cut-to-Length Carbon Quality Steel Plate from Korea; Notice of Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review*, 71 FR 60689 (October 16, 2006).

On October 31, 2006, the Department issued supplemental questionnaires to the GOK and DSM. We received questionnaire responses from the GOK and DSM on November 27 and November 28, 2006, respectively.

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters for which a review was specifically requested. The only company subject to this review is DSM.

**Scope of Order**

The products covered by the CVD order are certain hot-rolled carbon-quality steel: (1) Universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief) of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils). Steel products to be included in the scope of the order are of rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (*i.e.*, products which have been "worked after rolling")—for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non-metallic substances are included within this scope. Also, specifically included in the scope of the order are high strength, low alloy (HSLA) steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is two percent or less, by weight; and (3) none of the elements listed below is equal to or exceeds the quantity, by weight, respectively indicated: 1.80 percent of manganese, or 1.50 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of

molybdenum, or 0.10 percent of niobium, or 0.41 percent of titanium, or 0.15 percent of vanadium, or 0.15 percent zirconium. All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of this order unless otherwise specifically excluded. The following products are specifically excluded from the order: (1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (*i.e.*, USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.

The merchandise subject to the order is currently classifiable under the HTSUS under subheadings:

7208.40.3030, 7208.40.3060,  
7208.51.0030, 7208.51.0045,  
7208.51.0060, 7208.52.0000,  
7208.53.0000, 7208.90.0000,  
7210.70.3000, 7210.90.9000,  
7211.13.0000, 7211.14.0030,  
7211.14.0045, 7211.90.0000,  
7212.40.1000, 7212.40.5000,  
7212.50.0000, 7225.40.3050,  
7225.40.7000, 7225.50.6000,  
7225.99.0090, 7226.91.5000,  
7226.91.7000, 7226.91.8000,  
7226.99.0000.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by the order is dispositive.

**Subsidies Valuation Information**

*Average Useful Life*

Under 19 CFR 351.524(d)(2), we will presume the allocation period for non-recurring subsidies to be the average useful life (AUL) of renewable physical assets for the industry concerned as listed in the Internal Revenue Service's (IRS) 1997 Class Life Asset Depreciation Range System, as updated by the Department of the Treasury. The presumption will apply unless a party claims and establishes that the IRS tables do not reasonably reflect the company-specific AUL or the country-wide AUL for the industry under examination and that the difference between the company-specific and/or country-wide AUL and the AUL from the IRS table is significant. According to

the IRS Tables, the AUL of the steel industry is 15 years. No interested party challenged the 15-year AUL derived from the IRS tables. Thus, in this review, we have allocated, where applicable, all of the non-recurring subsidies provided to the producers/exporters of subject merchandise over a 15-year AUL.

#### *Benchmarks for Long-Term Loans Issued Through 2005*

During the POR, DSM had outstanding long-term won-denominated and foreign-currency denominated loans from government-owned banks and Korean commercial banks. Based on our findings on this issue in prior investigations and administrative reviews, we are using the following benchmarks to calculate the subsidies attributable to respondent's countervailable long-term loans obtained in the years 1991 through 2005:

(1) For countervailable, foreign-currency denominated loans, pursuant to 19 CFR 351.505(a)(2)(ii), and consistent with our past practice to date, our preference is to use the company-specific, weighted-average foreign currency-denominated interest rates on the company's loans from foreign bank branches in Korea, foreign securities, and direct foreign loans received after 1991. *See, e.g., Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 64 FR 30636, 30640 (June 8, 1999) (*Sheet and Strip Investigation*); *see also Final Negative Countervailing Duty Determination: Stainless Steel Plate in Coils from the Republic of Korea*, 64 FR 15530, 15531 (March 31, 1999) (*Plate in Coils Investigation*). Where no such benchmark instruments are available, and consistent with 19 CFR 351.505(a)(3)(ii) as well as our methodology in a prior administrative review, we rely on the lending rates as reported by the IMF's *International Financial Statistics Yearbook*. *See Final Results and Partial Rescission of Countervailing Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 69 FR 2113 (January 14, 2004) (*2001 Sheet and Strip*), and the accompanying Issues and Decision Memorandum (*2001 Sheet and Strip Decision Memorandum*), at Section II. B "Subsidies Valuation Information."

(2) For countervailable, won-denominated, long-term loans, our practice is to use the company-specific corporate bond rate on the company's public and private bonds. We note that this benchmark is consistent with our

decision in *Plate in Coils Investigation*, 64 FR at 15531, in which we determined that the GOK did not direct or control the Korean domestic bond market after 1991, and that the interest rate on domestic bonds may serve as an appropriate benchmark interest rate. Where unavailable, we used the national average of the yields on three-year corporate bonds, as reported by the Bank of Korea (BOK). For example, we note that the use of the three-year corporate bond rate from the BOK follows the approach taken in the *Plate in Coils Investigation*, in which we determined that, absent company-specific interest rate information, the corporate bond rate is the best indicator of a market rate for won-denominated long-term loans in Korea. *See Plate in Coils Investigation*, 64 FR at 15531. *See also* 19 CFR 505(a)(3)(ii).

In accordance with 19 CFR 351.505(a)(2), our benchmarks take into consideration the structure of the government-provided loans. For fixed-rate loans, pursuant to 19 CFR 351.505(a)(2)(iii), we used benchmark rates issued in the same year that the government loans were issued. For variable-rate loans outstanding during the POR, pursuant to 19 CFR 351.505(a)(5)(i), our preference is to use the interest rates of variable-rate lending instruments issued during the year in which the government loans were issued. Where such benchmark instruments are unavailable, we use weighted average interest rates of all variable rate loans issued during the POR as our benchmark, as such rates better reflect a variable interest rate that would be in effect during the POR. This approach is in accordance with the Department's practice in similar cases. *See, e.g., Final Results and Partial Rescission of Countervailing Duty Administrative Review: Stainless Steel Sheet and Strip From the Republic of Korea*, 68 FR 13267 (March 19, 2003) (*2000 Sheet and Strip*), and accompanying Issues and Decision Memorandum (*Sheet and Strip Decision Memorandum*), at Comment 8; *see also* 19 CFR 351.505(a)(5)(ii).

#### *Programs Preliminarily Determined To Confer Subsidies*

##### 1. The GOK's Direction of Credit

In the most recently completed administrative review of this CVD order, the Department reaffirmed earlier determinations that the GOK controlled and directed lending through year 2001. In addition, the Department noted that neither DSM nor the GOK provided any new information that would warrant a change in the Department's

determination. Finding that the GOK did not act to the best of its ability, the Department employed an adverse inference and determined that the GOK continued its direction-of-credit policies from 2002 through 2004. *See, e.g., Preliminary Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea*, 71 FR 11397, 11399 (March 7, 2006) (*2004 CTL Plate Preliminary Results*) (unchanged in final results by *Notice of Final Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea*, 71 FR 38861 (July 10, 2006)).

During the POR, DSM had outstanding loans that were received prior to the 2002 period. As in the prior administrative review, in this review, we asked the GOK for information pertaining to the GOK's direction-of-credit policies for the period from 2002 through 2005. The GOK did not provide any new or additional information that would warrant a departure from these prior findings, stating instead that:

"\* \* \* the Government of Korea continues to believe that the evidence demonstrates that there has been no direction of credit to the Korean steel industry. Nevertheless, the Department has consistently found that long-term loans received by Korean steel producers were the result of the Korean Government's direction, despite the Government's repeated submission of evidence to the contrary \* \* \* . Consequently, in this review, the Government will not contest the Department's findings on direction of long-term loans."

*See* September 12, 2006, GOK, submission at page 9. Because the GOK withheld the requested information on its lending policies, the Department does not have the necessary information on the record to determine whether the GOK has continued its direction-of-credit policies through 2005; therefore, the Department must base its determination on facts otherwise available. *See* section 776(a)(2)(A) of the Act.

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. Section 776(b) of the Act also authorizes the Department to use as adverse facts available (AFA) information derived from the petition, the final determination, a previous administrative review, or other information placed on the record.

For the reasons discussed below, we determine that, in accordance with sections 776(a)(2) and 776(b) of the Act, the use of AFA is appropriate for the preliminary results for the determination of direction of credit for loans received from 2002 through 2005.

In this case, the GOK refused to supply requested information that was in its possession, even though the GOK had provided similar information in prior proceedings. *See, e.g., Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea*, 64 FR 73176, 73178 (December 29, 1999) (*CTL Plate Investigation*). Therefore, consistent with sections 776(a)(2)(A) and (C) of the Act, we find that the GOK did not act to the best of its ability and, therefore, are employing an adverse inference in selecting from among the facts otherwise available. As AFA, we preliminarily find that the GOK's direction-of-credit policies continued through 2005. As noted above, the GOK's direction-of-credit policies provide a financial contribution, confer a benefit, and are specific, pursuant to sections 771(5)(D)(i), 771(5)(E)(ii), and 771(5A)(D)(iii) of the Act, respectively. Therefore, we preliminarily find that lending from domestic banks and government-owned banks through 2005 are countervailable. Thus, any loans received through 2005 from domestic banks and government-owned banks that were outstanding during the POR are countervailable, to the extent that the interest amount paid on the loan is less than what would have been paid on a comparable commercial loan. The Department's decision to rely on adverse inferences when lacking a response from the GOK regarding the direction-of-credit issue is in accordance with its practice. *See, e.g., 2004 CTL Plate Preliminary Results* (unchanged in final results by *Notice of Final Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea*, 71 FR 38861 (July 10, 2006)).

DSM received long-term fixed- and variable-rate loans from GOK-owned or -controlled institutions that were outstanding during the POR and had both won- and foreign currency-denominated loans outstanding during the POR. In accordance with 19 CFR 351.505(c)(2) and (4), we calculated the benefit for each fixed- and variable-rate loan received from GOK-owned or -controlled banks to be the difference between the actual amount of interest paid on the directed loan during the POR and the amount of interest that

would have been paid during the POR at the benchmark interest rate. We conducted our benefit calculations using the benchmark interest rates described in the "Subsidies Valuation Information" section above. For foreign currency-denominated loans, we converted the benefits into Korean won using exchange rates obtained from the BOK. We then summed the benefits from DSM's long-term fixed-rate and variable-rate won-denominated loans.

To calculate the net subsidy rate, we divided DSM's total benefits by its respective total f.o.b. sales values during the POR, as this program is not tied to exports or a particular product. On this basis, we preliminarily determine the net subsidy rate under the direction-of-credit program to be 0.01 percent *ad valorem* for DSM.

## 2. Asset Revaluation Under Tax Programs Under the Tax Reduction and Exemption Control Act (TERCL) Article 56(2)

Under Article 56(2) of the TERCL, the GOK permitted companies that made an initial public offering between January 1, 1987, and December 31, 1990, to revalue their assets at a rate higher than the 25 percent required of most other companies under the Asset Revaluation Act. The Department has previously found this program to be countervailable. For example, in the *CTL Plate Investigation*, the Department determined that this program was *de facto* specific under section 771(5A)(D)(iii) of the Act because the actual recipients of the subsidy were limited in number and the basic metal industry was a dominant user of this program. We also determined that a financial contribution was provided in the form of tax revenue foregone pursuant to section 771(5)(D)(ii) of the Act. *See CTL Plate Investigation*, 64 FR at 73182-83. The Department further determined that a benefit was conferred, within the meaning of section 771(5)(E) of the Act, on those companies that were able to revalue their assets under TERCL Article 56(2) because the revaluation resulted in participants paying fewer taxes than they would otherwise pay absent the program. *Id.* No new information, evidence of changed circumstances, or comments from interested parties were presented in this review to warrant any reconsideration of the countervailable status of this program.

The benefit from this program is the difference that the revaluation of depreciable assets has on a company's tax liability each year. Evidence on the record indicates that DSM revalued its assets under Article 56(2) of the TERCL

in 1988. However, DSM reports that in 1998 it revalued its assets yet again. DSM states the revaluation in 1998 was not pursuant to TERCL Article 56(2) and, according to the GOK, was consistent with Korean Generally Accepted Accounting Principles (GAAP). DSM claims that the asset revaluations that were adopted in 1988 under Article 56(2) of TERCL were superseded when it revalued its assets in 1998. Hence, the 1988 asset revaluation would only affect the calculation of depreciation costs for tax years prior to 1998. However, there were certain assets that were not revalued in 1998. For those assets which were not revalued in 1998, we identified the total amount of the change in depreciation expense attributable to the 1988 asset revaluation for 2004 (the tax return submitted during the POR). We then multiplied this amount by the tax rate for 2004 to determine the benefit under this program. This is the same approach the Department used in the previous review. *See 2004 CTL Plate Preliminary Results* (unchanged in final results by *Notice of Final Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea*, 71 FR 38861 (July 10, 2006)). As this program is not tied to exports, we used the benefit amount as the numerator and DSM's total sales as the denominator. Using this methodology, we preliminarily determine the countervailable subsidy from this program to be less than 0.005 percent *ad valorem*, which, according to the Department's practice, is considered not measurable and is not included in the calculation of the CVD rate. *See, e.g., Notice of Preliminary Results of Countervailing Duty Administrative Review: Certain Softwood Lumber Products from Canada*, 70 FR 33088, 33091 (June 7, 2005).

## 3. GOK Infrastructure Investment at Incheon North Harbor

Under the Act on Participation of Private Investment in Infrastructure (the Harbor Act), signed in 2000, the GOK contracts with private companies to construct infrastructure facilities at Incheon North Harbor. The program is designed to encourage private investment in public infrastructure facilities at Incheon North Harbor. Because the ownership of these facilities reverts to the GOK, the government compensates private parties for a portion of the construction costs of these facilities. In addition, the company is given right to operate the facility for a certain period of time.

Under the Harbor Act, DSM participated in an agreement with the Ministry of Maritime Affairs and Fisheries ("MOMAF"), under which DSM is constructing one of 17 piers at Incheon North Harbor. According to information submitted by the GOK, the government will retain title of the pier. However, upon completion of the project, DSM will receive free use of harbor facilities at Incheon Port and the right to collect fees it chooses to from other users of the facility for a period of 50 years. At the end of the 50-year period, operating rights revert to the GOK. Further, under the Harbor Act, the GOK compensates DSM for 30 percent of the construction costs of the facility. DSM reported receiving payments from the GOK as reimbursements for construction costs it incurred from the fourth quarter of 2003 through the third quarter of 2004. As this is the first time DSM has reported receiving benefits to the Department, the Department has not previously examined this program.<sup>1</sup>

DSM and the GOK claim that the reimbursements DSM received under the program are not countervailable, "Because this program represents a government purchase of construction services, it does not constitute a 'financial contribution' under the terms of the countervailing duty statute." See GOK's September 12, 2006, questionnaire response at 4; see also DSM's September 12, 2006, questionnaire response at 38.

The record evidence indicates that the actual recipients of the grant, whether considered on an enterprise or industry basis are limited in number. The GOK has reported that only [six] companies representing [four] industries received the grant. See DSM's September 12, 2006, questionnaire response at Appendix G-6-C. Therefore, we preliminarily determine that the program is *de facto* specific within the meaning of section 771(5A)(D)(iii)(I) of the Act. For purposes of these preliminary results, we disagree with the claims of the GOK and DSM that the GOK's payments to DSM constitute compensation for services provided in connection with the construction of the GOK's pier. We find that the 50-year duration of DSM's lease of the pier facility is so long that it effectively renders DSM the owner of the facility. See the "Average Useful Life" section, above. We note that under the IRS 1997 Class Life Asset Depreciation Range System, the AUL of land improvements,

such as wharves and docks, is only 20 years. Therefore, the fact that the GOK retains "ownership" of the pier for 50 years is essentially meaningless. As such, we preliminarily find that the GOK's payments to DSM constitute grants that aid the construction of a facility which, due to the lengthy duration of the lease, is effectively owned and operated by DSM. On this basis, we preliminarily determine that the reimbursements DSM received under the program constitute a direct financial contribution, in the form of grants, and confer a benefit within the meaning of sections 771(5)(D)(i) and 771(5)(E) of the Act, respectively.

On page 3 of its November 27, 2006, questionnaire response, the GOK indicates that the payments to DSM relate to stage one pier construction. See also GOK's September 12, 2006, questionnaire response at Appendix G-6-C. According to the GOK, the stage one piers are intended to handle shipments of steel scrap. See GOK's November 27, 2006, questionnaire response at page 3. The record evidence indicates that one of DSM's main raw materials used in the production of subject merchandise during the POR was steel scrap. See DSM's September 12, 2006, questionnaire response at 9. See also DSM's November 28, 2006, questionnaire response at Appendix SD 9. Therefore, in accordance with 19 CFR 351.525(b)(5), we preliminarily find that the grants received by DSM under this program are tied to the production and sales of the subject merchandise. Accordingly, we have attributed the grants DSM has received under this program to its production and sales of the subject merchandise.

To calculate the benefit under this program, we first summed the amount of payments DSM received each year under the program. In accordance with 19 CFR 351.524(c), we are treating the grants DSM received under the program as non-recurring. Pursuant to 19 CFR 351.524(b)(2), the Department allocates non-recurring benefits provided under a particular subsidy program to the year in which the benefits are received if the total amount approved under the subsidy program is less than 0.5 percent of the relevant sales of the firm in question, during the year in which the subsidy was approved. The GOK provided the total approved amount with the date of approval. For the preliminary results, the Department performed the 0.5 percent test by dividing DSM's portion of the GOK contribution at the time of receipt by DSM's total steel sales at the time of receipt. Because the amounts were less than 0.5 percent of DSM's total steel

sales in the year of receipt, we expensed the grants to the year of receipt. On this basis, we preliminarily determine that DSM's net subsidy rate under this program to be 0.09 percent *ad valorem*.

#### 4. Research and Development Under Korea Research Association of New Iron and Steelmaking Technology (KANIST) (Formerly KNISTRA)

Under the program, companies make contributions to KANIST, which also receives contributions from the GOK. KANIST then contracts with universities and other research institutions. Upon completion of the projects, KANIST shares the results of the research with the companies that participated in the projects.

The Department examined this program in the underlying investigation. In that segment of the proceeding, the Department determined that the GOK, through the Ministry of Commerce, Industry and Energy (MOCIE) provided research and development grants to support numerous projects designed to foster the development of efficient technology for industrial development. See *CTL Plate Investigation*, 64 FR at 73185. We found this program to be specific as the grants were provided directly to respondents and their affiliates that are steel-related, and that the grants provided a financial contribution. *Id.* see also sections 771(5A)(D)(ii) and 771(5)(D)(i) of the Act. Moreover, pursuant to section 771(5)(E) of the Act, the Department determined that the benefit was the amount of the GOK's contribution allocated to the percentage of the company's contribution and was conferred at the time of receipt. No new information, evidence of changed circumstances, or comments from interested parties were presented in this review to warrant any reconsideration of the countervailable status of this program.

DSM reported that it participated in research and development projects coordinated by KANIST. In these projects, DSM and other Korean companies made contributions to KANIST, which also received contributions from the GOK. Specifically, DSM reported that it participated in four projects. The first project deals with the "Elimination of Accumulated Impurities and Metal Structural Non-detrimental Technology Development." DSM and the GOK made contributions to this project from 2002 through 2006. The remaining three projects are dedicated to the development of structural steel. See Exhibit D-6-A, Volume II, of DSM's September 12, 2006, questionnaire

<sup>1</sup> The GOK indicated in its September 12, 2006, response that benefits received by DSM in 2003 were inadvertently not reported during the last POR, due to an oversight.

response; *see also* Exhibit G--B-4 of the GOK's September 12, 2006, questionnaire response. Based on the information in DSM's response, we preliminarily determine that the projects aimed at structural steel development are tied to non-subject merchandise. We also preliminarily determine that the remaining research and development project is relevant to the early stages of the production process and, therefore, attributable to DSM's total steel sales.

In keeping with the Department's practice, we calculated the benefits related to the project on the "Elimination of Accumulated Impurities and Metal Structural Non-detrimental Technology Development" by allocating the GOK's payments based on DSM's contributions to the project. *See 2004 CTL Plate Preliminary Results*, 71 FR at 11400 (unchanged in final results by *Notice of Final Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea*, 71 FR 38861 (July 10, 2006)). Pursuant to 19 CFR 351.524(b)(2), the Department allocates non-recurring benefits provided under a particular subsidy program to the year in which the benefits are received if the total amount approved under the subsidy program is less than 0.5 percent of the relevant sales of the firm in question, during the year in which the subsidy was approved. However, neither the GOK nor DSM provided the total approved amounts nor the dates of approval. Therefore, we performed our analysis under 19 CFR 351.524(b)(2) by dividing DSM's portion of the GOK contribution at the time of receipt by DSM's total steel sales at the time of receipt. Using this approach, the calculated percentages in each year were less than 0.5 percent. Therefore, we preliminarily determine that all of the GOK's contributions were expensed in the year of receipt. To calculate the net subsidy rate under the program, we divided the contributions made by the GOK during the POR that were allocated to DSM by DSM's total steel sales during the POR. On this basis, we preliminarily calculate a net subsidy rate for DSM to be less than 0.005 percent *ad valorem*, which, according to the Department's practice, is considered not measurable and is not included in the calculation of the C.V.D. rate.

#### *Programs Preliminarily Found To Be Not Used*

1. *Special Cases of Tax for Balanced Development Among Areas (TERCL Articles 41, 42, 43, 44, and 45) (Reserve for Investment Program)*

2. *Electricity Discounts (VRA, VCA, ELR and DLI Programs)*

3. *Price Discount for DSM Land Purchase at Asan Bay*

4. *Local Tax Exemption on Land Outside of Metropolitan Area*

5. *Exemption of VAT on Anthracite Coal*

#### *Programs Preliminarily Found To Be Not Countervailable*

1. *Special Tax Credit for Boosting Employment*

Under Articles 30-34 of the RSTA, the GOK created "The Special Tax Credit for Boosting Employment" in July 2004. The program expired in December 31, 2005. It was designed to boost employment, and tax credits were allowed for any Korean company that met the requirements of employing more full-time workers in 2004 and 2005 than it employed the previous year. It provided for a credit of one million won for each full-time worker employed in 2004 or 2005 in excess of the numbers of full-time workers employed the previous year. DSM reported receiving credits towards taxes payable under this program for its 2004 tax return, the tax return submitted during the POR.

Information supplied by DSM and the GOK indicate that this tax program is available to nearly all companies in Korea except for a small category of specialized businesses the GOK deems "harmful to juveniles, affecting public morales, certain private teaching institutes, and certain real estate businesses." *See* page 25, Exhibit I of DSM's September 12, 2006, questionnaire. Based on information supplied by DSM and the GOK, we preliminarily determine that this program is not specific within the meaning of Section 771(5A)(D) of the Act. Therefore, the Department preliminarily determines that no countervailable benefits were conferred under this program during the POR.

#### *Preliminary Results of Review*

In accordance with 19 CFR 351.221(b)(4)(i), we calculated a subsidy rate for DSM for 2005. We preliminarily determine the total estimated net countervailable subsidy rate for DSM is 0.10 percent *ad valorem* for 2005, which is *de minimis*. *See* 19 CFR 351.106(c)(1).

If the final results of this review remain the same as these preliminary results, the Department will instruct U.S. Customs and Border Protection (CBP), 15 days after the date of publication of the final results, to liquidate shipments of CTL plate from DSM, entered, or withdrawn from

warehouse, for consumption from January 1, 2004, through December 31, 2004, without regard to countervailing duties. Also, the Department will instruct CBP not to collect cash deposits rate of estimated countervailing duties on shipments of CTL plate from DSM, entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review.

We will instruct CBP to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order are those established in the most recently completed administrative proceeding. *See CTL Plate Order*, 65 FR 6589. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested.

#### *Public Comment*

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of the public announcement of this notice. Pursuant to 19 CFR 351.309(b)(1), interested parties may submit written arguments in response to these preliminary results. Unless otherwise indicated by the Department, case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs. *See* 19 CFR 351.309(c)(1)(ii). Parties who submit written arguments in this proceeding are requested to submit with the written argument: (1) A statement of the issue, and (2) a brief summary of the argument. Parties submitting case and/or rebuttal briefs are requested to provide the Department copies of the public version on disk. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs.

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 the final results of this administrative review, including the results of its analysis of arguments made in any case or rebuttal briefs.

This administrative review is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: February 28, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E7-4070 Filed 3-6-07; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

[I.D. 022707A]

#### Endangered and Threatened Species; Take of Anadromous Fish

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

**ACTION:** Issuance of scientific research permits.

**SUMMARY:** Notice is hereby given that NMFS has issued Permit 1105 Modification 1 to Hagar Environmental Science (HES) in Richmond, CA; and Permit 1121 to Santa Clara Valley Water District (SCVWD) in San Jose, CA. This notice is relevant to federally endangered Central California Coast coho salmon (*Oncorhynchus kisutch*), threatened Central California Coast steelhead (*O. mykiss*), and threatened South-Central California Coast steelhead (*O. mykiss*).

**ADDRESSES:** The applications, permits, and related documents are available for review by appointment at: Protected Resources Division, NMFS, 777 Sonoma Avenue, Room 315, Santa Rosa, CA 95404 (ph: 707-575-6097, fax: 707-578-3435, e-mail at: [Jeffrey.Jahn@noaa.gov](mailto:Jeffrey.Jahn@noaa.gov)).

**FOR FURTHER INFORMATION CONTACT:** Jeffrey Jahn at 707-575-6097, or e-mail: [Jeffrey.Jahn@noaa.gov](mailto:Jeffrey.Jahn@noaa.gov).

#### SUPPLEMENTARY INFORMATION:

##### Authority

The issuance of permits and permit modifications, as required by the

Endangered Species Act of 1973 (16 U.S.C. 1531-1543) (ESA), is based on a finding that such permits/modifications: (1) are applied for in good faith; (2) would not operate to the disadvantage of the listed species which are the subject of the permits; and (3) are consistent with the purposes and policies set forth in section 2 of the ESA. Authority to take listed species is subject to conditions set forth in the permits. Permits and modifications are issued in accordance with and are subject to the ESA and NMFS regulations (50 CFR parts 222-226) governing listed fish and wildlife permits.

#### Species Covered in This Notice

This notice is relevant to federally endangered Central California Coast coho salmon (*Oncorhynchus kisutch*), threatened Central California Coast steelhead (*O. mykiss*), and threatened South-Central California Coast steelhead (*O. mykiss*). Permits Issued

A notice of the receipt of an application to renew and modify Permit 1105 was published in the **Federal Register** on December 4, 2006 (71 FR 70367). Permit 1105 Modification 1 was issued to HES on February 15, 2007. Permit 1105 Modification 1 authorizes capture (by seine or backpack electrofishing), handling, and release of juvenile Central California Coast coho salmon, Central California Coast steelhead, and South-Central California Coast steelhead. Permit 1105 Modification 1 is for research to be conducted in the following watersheds and coastal lagoons: Pilarcitos Creek in San Mateo County, California; San Lorenzo River, Liddell Creek, Laguna Creek, and Majors Creek in Santa Cruz County, California; Salinas River in Monterey and San Luis Obispo counties, California; and Arroyo Grande Creek in San Luis Obispo County, California. Permit 1105 Modification 1 authorizes unintentional lethal take of juvenile ESA-listed salmonids associated with research activities not to exceed 3 percent of ESA-listed salmonids captured. Permit 1105 Modification 1 does not authorize take of adult ESA-listed salmonids or intentional lethal take of ESA-listed salmonids. The purpose of the research is to provide ESA-listed salmonid population, distribution, and habitat assessment data to inform watershed management as well as establish baseline population abundances preceding the implementation of habitat conservation measures. Permit 1105 Modification 1 expires on December 31, 2011. A notice of the receipt of an application for a scientific research permit (1121) was

published in the **Federal Register** on September 21, 2006 (71 FR 55169). Permit 1121 was issued to SCVWD on February 15, 2007.

Permit 1121 authorizes capture (by backpack electrofishing or boat electrofishing), handling, and release of juvenile Central California Coast steelhead; and capture (by weir-trap), handling, and release of adult Central California Coast steelhead. Permit 1121 is for research to be conducted in the Coyote Creek, Guadalupe River, and Stevens Creek watersheds in Santa Clara County, California. Permit 1121 authorizes unintentional lethal take of juvenile ESA-listed salmonids associated with research activities not to exceed 3 percent of ESA-listed salmonids captured. Permit 1121 does not authorize intentional lethal take of ESA-listed salmonids or unintentional lethal take of adult ESA-listed salmonids.

The purpose of the research is to provide fish population and habitat assessment data to direct SCVWD water-use and habitat restoration activities. Permit 1121 expires on December 31, 2011.

**Angela Somma,**

*Chief, Endangered Species Division, Office of Protected Resources, National Marine Fisheries Service.*

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BILLING CODE 3510-22-S

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

[I.D. 022807E]

#### Marine Mammals; File No. 782-1719

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

**ACTION:** Notice; receipt of application for amendment.

**SUMMARY:** Notice is hereby given that The National Marine Mammal Laboratory (NMML), Alaska Fisheries Science Center, (Dr. John L. Bengston, Principal Investigator), 7600 Sand Point Way, NE, Seattle, Washington 98115-6349, has requested an amendment to scientific research Permit No. 782-1719-04.

**DATES:** Written, telefaxed, or e-mail comments must be received on or before April 6, 2007.

**ADDRESSES:** The amendment request and related documents are available for review upon written request, or by