

importer, exporters, or producers of subject merchandise from the PRC and Poland. *See* the Critical Circumstances Preliminary Determinations Memorandum.

In determining whether there is a reasonable basis to believe or suspect that an importer knew or should have known that there was likely to be material injury by reason of dumped imports, under section 733(e)(1)(A)(ii) of the Act, the Department normally will look to the preliminary injury determinations of the ITC. If the ITC finds a reasonable indication of present material injury to the relevant U.S. industry, the Department will determine that a reasonable basis exists to impute importer knowledge that there was likely to be material injury by reason of dumped imports. *See* Final Determination of Sales at Less Than Fair Value: Certain Cut-To-Length Carbon Steel Plate from the People's Republic of China, 62 FR 61964 (November 20, 1997). In the instant cases, the ITC has found that a reasonable indication of present material injury due to dumping exists for all imports of rebar from the PRC and Poland. *See* ITC's Preliminary Determinations, August 14, 2000. Therefore, we preliminarily find that there is a reasonable basis to believe or suspect that importers knew or should have known that dumped imports of rebar from the PRC and Poland were likely to cause material injury.

#### Massive Imports

In determining whether there are "massive imports" over a "relatively short period," pursuant to section 733(e)(1)(B) of the Act, the Department normally compares the import volume of the subject merchandise for at least three months immediately preceding the filing of the petition (*i.e.*, the "base period"), and at least three months following the filing of the petition (*i.e.*, the "comparison period"). However, as stated in section 351.206(i) of the Department's regulations, if the Secretary finds that importers, exporters, or producers had reason to believe, at some time prior to the beginning of the proceeding, that a proceeding was likely, then the Secretary may consider a time period of not less than three months from that earlier time. Imports normally will be considered massive when imports during the comparison period have increased by 15 percent or more compared to imports during the base period.

In this case, the petitioner argues that importers, exporters, or producers of rebar from the PRC and Poland had reason to believe that an antidumping

proceeding was likely before the filing of the petition. Based upon information contained in the petition, we found that press reports and published statements were sufficient to establish that, by December 1999, importers, exporters, and foreign producers knew or should have known that a proceeding was likely concerning rebar from the PRC and Poland. Accordingly, we examined the increase in import volumes from July 1999 through December 1999, as compared to the import volume during January 2000 through June 2000, and found that imports of rebar from the PRC increased by 182.76 percent and that imports from Poland increased from zero to over 58,000 metric tons, an unquantifiable percent. *See* the Critical Circumstances Preliminary Determinations Memorandum. Therefore, pursuant to section 733(e) of the Act and section 351.206(h) of the Department's regulations, we preliminarily determine that there have been massive imports of rebar from the PRC and Poland over a relatively short time.

#### Conclusion

Given the above-referenced reasons, we preliminarily determine that there is a reasonable basis to believe or suspect that critical circumstances exist for imports of rebar from the PRC and Poland.

#### Suspension of Liquidation

In accordance with section 733(e)(2) of the Act, upon issuance of affirmative preliminary determinations of sales at LTFV in the investigations with respect to the PRC and Poland, the Department will direct the U.S. Customs Service to suspend liquidation of all such entries of rebar from the PRC and Poland that are entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication in the **Federal Register** of our preliminary determinations of sales at LTFV. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margins reflected in the preliminary determinations of sales at LTFV published in the **Federal Register**. This suspension of liquidation will remain in effect until further notice.

#### Final Critical Circumstances Determinations

We will make final determinations concerning critical circumstances for the PRC and Poland when we make our final determinations regarding sales at LTFV in those investigations, which will be 75 days (unless extended) after the preliminary LTFV determinations.

#### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determinations. This notice is issued and published pursuant to section 777(i) of the Act.

Dated: August 30, 2000.

**Troy H. Cribb,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-22996 Filed 9-6-00; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-401-401]

#### **Certain Carbon Steel Products from Sweden: Preliminary Results of Countervailing Duty Administrative Review and Extension of Time Limit for Final Results of Countervailing Duty Administrative Review**

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

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

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain carbon steel products from Sweden. The period covered by this administrative review is January 1, 1998 through December 31, 1998. For information on the net subsidy for each reviewed company, as well as for all non-reviewed companies, please see the "Preliminary Results of Review" section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service (Customs) to assess countervailing duties as detailed in the "Preliminary Results of Review" section of this notice. Interested parties are invited to comment on these preliminary results. (*See* "Public Comment" section of this notice.)

**EFFECTIVE DATE:** September 7, 2000.

**FOR FURTHER INFORMATION CONTACT:** Tipton Troidl or Gayle Longest, AD/CVD Enforcement, Office VI, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-1767 and (202) 482-3338, respectively.

**SUPPLEMENTARY INFORMATION:**

## Background

On October 4, 1985, the Department published in the **Federal Register** (50 FR 48517) the countervailing duty order on certain carbon steel products from Sweden. On October 22, 1999, the Department published a notice of "Opportunity to Request Administrative Review" (64 FR 56485) of this countervailing duty order. We received a timely request for review from SSAB Svenskt Stal AB (SSAB), the respondent company to this proceeding. On December 3, 1999, we initiated a review covering the period January 1, 1998, through December 31, 1998 (64 FR 67846).

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters of the subject merchandise for which a review was specifically requested. The producer/exporter of the subject merchandise for which the review was requested is SSAB. This review covers six programs.

## Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930 (the Act), as amended by the Uruguay Round Agreements Act (URAA) effective January 1, 1995. In addition, unless indicated, all citations to the Department's regulations are to the current regulations as codified at 19 CFR Part 351 (1999) and to the substantive countervailing duty regulations published in the **Federal Register** on November 25, 1998 (63 FR 65348) (CVD Regulations).

## Scope of the Review

Imports covered by this review are shipments of certain carbon steel products from Sweden. These products include cold-rolled carbon steel, flat-rolled products, whether or not corrugated, or crimped; whether or not pickled, not cut, not pressed and not stamped to non-rectangular shape; not coated or plated with metal and not clad; over 12 inches in width and of any thickness; whether or not in coils. During the review period, such merchandise was classifiable under the Harmonized Tariff Schedule (HTS) item numbers 7209.11.0000, 7209.12.0000, 7209.13.0000, 7209.21.0000, 7209.22.0000, 7209.23.0000, 7209.24.5000, 7209.31.0000, 7209.32.0000, 7209.33.0000, 7209.34.0000, 7209.41.0000, 7209.43.0000, 7209.44.0000, 7209.90.0000, 7211.30.5000, 7211.41.7000 and 7211.49.5000. The written description remains dispositive.

## Extension of Final Results

Section 751(a)(3)(A) of the Act requires the Department to make a final determination within 120 days after the date on which the preliminary results are published. However, if it is not practicable to complete the review within this time period, section 751(a)(3)(A) of the Act allows the Department to extend the time period for the final results to 180 days. Due to the complex nature of the issues in this case, we have determined that it is not practicable to complete the final results for this review within the original time limit. Therefore, the Department is extending the time limit for the final results to 180 days from the date of publication of these preliminary results.

## Subsidies Valuation Information

### Allocation Methodology

In the current review, there are no new non-recurring subsidies. All of the non-recurring grants under review were provided prior to the period of review (POR) and allocation periods for these grants were established during prior segments of this proceeding. Therefore, for the purposes of these results, the Department is using the original allocation period assigned to each grant. *See Certain Carbon Steel Products from Sweden; Finals Results of Administrative Review*, 62 FR 16549–50 (April 7, 1997) (1994 Final Results).

## Change in Ownership

### A. Background

SSAB is the only Swedish company that produces and exports the subject merchandise. SSAB has sold several productive units and the company was partially privatized in 1987 and in 1989. In 1994, SSAB was completely privatized.

The Department is aware that on June 20, 2000, the Court of Appeals for the Federal Circuit (CAFC) denied the Department's petition for rehearing and suggestion for rehearing *en banc* in *Delverde, SRL v. United States*, 202 F.3d 1360 (Fed. Cir. 2000) (*Delverde*). Although this decision addressed a purely private change in ownership, it appears that it may impact the Department's privatization methodology. However, due to the complexity of the issue, the Department has not yet completed its analysis of how *Delverde* may affect this proceeding. Accordingly, for purposes of these preliminary results, we will continue to determine that a portion of subsidies bestowed on a government-owned company prior to privatization continues to benefit the production of

the privatized company, as set forth below.

The Department invites interested parties to comment in their case briefs on the implications of the *Delverde* decision on this proceeding.

### B. Change in Ownership Calculation Methodology

We followed the Change in Ownership methodology described in the General Issues Appendix (GIA) that is attached to the *Final Affirmative Countervailing Duty Determination: Certain Steel Products From Austria*, 58 FR 37217, 37226 (July 9, 1993) and which was used in the last administrative review of this order. *See Certain Steel Products From Sweden: Final Results of Countervailing Duty Administrative Review*, 64 FR 57038 (October 22, 1999) (1999 Final Results).

## Analysis of Programs

### I. Programs Preliminarily Determined To Confer Subsidies

#### A. Structural Loans

Under three separate pieces of legislation, SSAB received structural loans from the Government of Sweden (GOS) for investment in plant and equipment. The loans were disbursed in installments between 1978 and 1983. Two loans were outstanding during the POR.

According to the terms of the loans, both structural loans were interest-free for three years from the date of disbursement. After that time, the loans incurred interest at a fixed rate of five percent per annum. *See* SSAB's February 18, 2000 Questionnaire Response at page 11–13 (Public Version on file in Room B–099 of the main Commerce Building). After a five-year grace period, the principal is repaid in 20 equal installments at the end of each calendar year.

In the final determinations of the two original investigations of the subject merchandise, *Final Affirmative Countervailing Duty Determination: Certain Carbon Steel Products from Sweden*, 50 FR 33377 (August 19, 1985) (1985 Final Determination) and *Final Affirmative Countervailing Duty Determination: Certain Steel Products from Sweden*, 58 FR 37385 (July 9, 1993) (1993 *Certain Steel Products*), we determined that these types of loans were provided only to SSAB and were received at an interest rate lower than what the recipient would have paid on a comparable commercial loan. We therefore, determined that the loans are countervailable. There has been no new information or evidence of changed

circumstances in this review to warrant reconsideration of this determination.

To calculate the benefit from the fixed-rate structural loans, we employed the long-term loan methodology described in the 1994 administrative review of this order. *See 1994 Final Results*. To calculate the benefits of the variable-rate loan, we used the variable-rate long-term loan methodology described in the *1994 Final Results*. As the benchmark, we used SSAB's company-specific long-term interest rates, previously established in *1993 Certain Steel Products*.

We reduced the benefit attributable to the POR from the fixed-rate structural loans according to the methodology outlined in the "Change in Ownership" section above. We then aggregated the benefits for the fixed interest rate loans and divided the results by SSAB's total sales for 1998. On this basis, we preliminarily determine the net subsidy from the two structural loans to be 0.11 percent *ad valorem*.

#### B. Forgiven Reconstruction Loans

The GOS provided reconstruction loans to SSAB between 1979 and 1985 to cover operating losses, investment in certain plant and equipment, and for employment promotion purposes. The loans were interest-free for three years, after which a fixed interest rate was charged. According to the terms of the loans, up to half of the outstanding amount of the loan could be written-off after the second calendar year following the disbursement. The remainder of the loan could be written off entirely at the end of the ninth calendar year after disbursement. Pursuant to the terms of the reconstruction loans, the GOS wrote off large portions of principal and accrued interest on these loans between 1980 and 1990.

In the *1985 Final Determination* and in *1993 Certain Steel Products*, we determined that forgiveness of these loans is countervailable. There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this determination.

To calculate the benefit, we treated the written-off portions of the reconstruction loans as countervailable grants received in the years the loans were forgiven and attributed the benefit for the POR from this program using the methodology described in the "Allocation Methodology" section above. We then reduced the benefits from these grants attributable to the POR according to the methodology outlined in the "Change in Ownership" section above. We then divided the results by SSAB's total sales for 1998. On this

basis, we preliminarily determine the net subsidy from the three allocable forgiven reconstruction loans to be 0.51 percent *ad valorem*.

## II. Other Programs

### *Research and Development Loans and Grants*

The Swedish National Board for Industrial and Technical Development (NUTEK) provides research and development loans and grants to Swedish industries for R&D purposes. One type of R&D loan (industrial development loans) is mostly aimed at "new" industries such as the biotechnical, electronic, and medical industries. Another type of R&D loan (energy efficiency loans) is directed towards big energy consumers.

Under this program, SSAB had several R&D loans outstanding during the POR on which it did not make either principal or interest payments. In the last administrative review of this order, we found that the benefit provided from these loans was less than 0.005 percent *ad valorem*, and would have no impact on the countervailing duty rate calculated for this POR; therefore, it was not necessary to determine whether the loans provided under NUTEK were specific. *See, e.g., 1999 Final Results*.

In this administrative review, SSAB reported that it also received a NUTEK R&D grant for the application and further development of Information Technology concerning improved energy utilization and control of industrial processes. Under section 351.524(b)(2) of the CVD Regulations, this grant would be expensed in the year of receipt, which is the POR. The benefit from this grant is 0.01 percent *ad valorem*. Because we have not had to make a specificity determination with respect to this program in the last few administrative reviews of this order, we are attempting to gather more information from the GOS before making a final determination on the specificity of this program.

## III. Programs Preliminarily Determined To Be Not Used

- A. Transportation Grants
- B. Location-of-Industry Loans
- C. Regional Development Grants

### *Preliminary Results of Review*

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for the producer/exporter subject to this administrative review. For the period January 1, 1998, through December 31, 1998, we preliminarily determine the net subsidy for SSAB to be 0.62 percent *ad valorem*.

If the final results of this review remain the same as these preliminary results, the Department intends to instruct Customs to assess countervailing duties as indicated above. The Department also intends to instruct Customs to collect cash deposits of estimated countervailing duties as indicated above of the f.o.b. invoice price on all shipments of the subject merchandise from reviewed companies, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. *See 19 CFR 351.213(b)*. Pursuant to 19 CFR 351.212(c), for all companies for which a review was *not* requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. *See Federal-Mogul Corporation and The Torrington Company v. United States*, 822 F. Supp. 782 (CIT 1993) and *Floral Trade Council v. United States*, 822 F. Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR 355.22(g)). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review.

We will instruct Customs 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 will be the rate for that company established in the most recently completed administrative proceeding conducted under the URAA. If such a review has not been conducted, the rate established in the most recently completed administrative proceeding pursuant to the statutory provisions that were in effect prior to the URAA amendments is applicable. *See Certain Carbon Steel Products from*

*Sweden; Final Results of Countervailing Duty Administrative Review*, 64 FR 57038 (October 22, 1999). These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 1998 through December 31, 1998, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

#### 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, interested parties may submit written comments 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, unless otherwise specified by the Department. Parties who submit argument in this proceeding are requested to submit with the 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, that is, thirty-seven days after the date of publication of these preliminary results.

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)(ii), are due. The Department will publish the final results of these administrative reviews, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing.

This administrative review is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677f(i)(1)).

Dated: August 31, 2000.

**Troy H. Cribb,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00-22999 Filed 9-6-00; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-201-810]

#### **Certain Cut-to-Length Carbon Steel Plate from Mexico: Preliminary Results of Countervailing Duty Administrative Review and Extension of Time Limit for Final Results of Countervailing Duty Administrative Review**

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

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

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain cut-to-length carbon steel plate from Mexico for the period January 1, 1998, through December 31, 1998. For information on the net subsidy for the reviewed company as well as for non-reviewed companies, please see the "Preliminary Results of Review" section of this notice. If the final results remain the same as these preliminary results of administrative review, we will instruct the U.S. Customs Service (Customs) to assess countervailing duties as detailed in the "Preliminary Results of Review" section of this notice. Interest parties are invited to comment on these preliminary results. (See the "Public Comment" section of this notice).

**EFFECTIVE DATE:** September 7, 2000.

**FOR FURTHER INFORMATION CONTACT:** Eric B. Greynolds or Michael Grossman, AD/CVD Enforcement, Office VI, Group II, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-2786.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On August 17, 1993, the Department published in the *Federal Register* (58 FR 43755) the countervailing duty order

on certain cut-to-length carbon steel plate from Mexico. On August 11, 1999, the Department published a notice of "Opportunity to Request an Administrative Review" (64 FR 43649) of this countervailing duty order. We received a timely request for review from Altos Hornos de Mexico, S.A. (AHMSA), the respondent company in this proceeding. On October 1, 1999, we initiated the review covering the period January 1, 1998, through December 31, 1998 (64 FR 53318).

On January 18, 2000, petitioners submitted a new subsidy allegation in the above-referenced administrative review. Specifically, petitioners alleged that AHMSA received a countervailable loan from Banobras, a government development bank. Upon review of the information submitted by petitioners, we have declined to initiate on this allegation. For more information regarding petitioners' new subsidy allegation, see the memorandum, "New Subsidy Allegations," to Melissa G. Skinner, Director of Office of AD/CVD Enforcement VI, from the Team, dated August 25, 2000, a public document on file in the Central Records Unit (CRU), Room B-099 of the Main Department of Commerce Building (New Subsidy Allegations Memorandum).

Petitioners also submitted other comments regarding assumption of AHMSA's debt, "committed investments," and the use of uncreditworthy benchmarks. Our review of these allegations reveals that these are comments on the methodology which petitioners argue should be employed by the Department in this administrative review. Therefore, these comments do not require an initiation of an alleged subsidy. For more information, see the New Subsidy Allegations Memorandum. Thus, because we have determined that these allegations concern methodological issues, we have addressed the debt assumption and "committed investment" allegations in the section titled "Petitioner's Comments Concerning 'Committed Investment' and Assumption of AHMSA's Debt," below. We have addressed petitioner's comments regarding the use of uncreditworthy benchmarks in the "Creditworthiness" section, below.

On April 11, 2000, we extended the period for completion of the preliminary results pursuant to section 751(a)(3) of the Tariff Act of 1930, as amended (the Act). See *Certain Cut-to-Length Carbon Steel Plate From Mexico: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review* (65 FR 19359).