

millimeters (1.25 inches) and 50.80 millimeters (2.00 inches), a core hardness between 580 to 630 HV, a surface hardness between 900–990 HV; the carbon steel coil or strip consists of the following elements identified in percentage by weight: 0.90% to 1.05% carbon; 0.15% to 0.35% silicon; 0.30% to 0.50% manganese; less than or equal to 0.03% of phosphorous; less than or equal to 0.006% of sulfur; other elements representing 0.24%; and the remainder of iron.

#### **Final Results of Review; Partial Revocation of Antidumping Duty Order**

The affirmative statement of no interest by petitioners concerning doctor blades, as described herein, constitutes changed circumstances sufficient to warrant partial revocation of this order. Also, petitioners did not comment on the *Preliminary Results*. Therefore, the Department is partially revoking the order on certain corrosion-resistant carbon steel flat products from Japan with regard to products which meet the specifications detailed above, in accordance with sections 751(b) and (d) and 782(h) of the Act and 19 CFR 351.216(d)(1). This partial revocation applies to all entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of this publication of final results.

This notice also serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.306. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

This changed circumstances administrative review, partial revocation of the antidumping duty order and notice are in accordance with sections 751(b) and (d) and 782(h) of the Act and sections 351.216 and 351.222(g) of the Department's regulations.

Dated: August 28, 2000.

**Troy H. Cribb,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. 00–22836 Filed 9–5–00; 8:45 am]

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## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

[C–508–605]

#### **Industrial Phosphoric Acid From Israel: Preliminary Results and Final Partial Rescission of Countervailing Duty Administrative Review**

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

**ACTION:** Notice of preliminary results and final partial rescission of countervailing duty administrative review.

**SUMMARY:** The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on industrial phosphoric acid from Israel for the period 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, we will instruct the U.S. Customs Service to assess countervailing duties as detailed in the *Preliminary Results of Review*. In addition, we are rescinding the review with respect to Haifa Chemicals Ltd. (Haifa) because Haifa did not export the subject merchandise to the United States during the period of review (POR). Interested parties are invited to comment on these preliminary results. See *Public Comment* section of this notice.

**EFFECTIVE DATE:** September 6, 2000.

**FOR FURTHER INFORMATION CONTACT:** Sean Carey or Jonathan Lyons, Office of AD/CVD Enforcement VII, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482–3964 or (202) 482–0374, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On August 19, 1987, the Department published in the **Federal Register** (52 FR 31057) the countervailing duty order on industrial phosphoric acid from Israel. On August 11, 1999, the Department published a notice of “Opportunity to Request Administrative Review” (64 FR 43649, 43650) of this countervailing duty order. We received a timely request for review, and we initiated the review, covering the period January 1, 1998 through December 31,

1998, on October 1, 1999 (64 FR 53318). 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. Accordingly, this review covers Rotem-Amfert Negev Ltd. (Rotem) and Haifa. Haifa did not export the subject merchandise during the POR. Therefore, we are finally rescinding the review with respect to Haifa.

#### **Applicable Statute and Regulations**

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA) effective January 1, 1995 (the Act). The Department is conducting this administrative review in accordance with section 751(a) of the Act. All citations to the Department's regulations reference 19 CFR part 351 (April 1, 2000).

#### **Scope of the Review**

Imports covered by this review are shipments of industrial phosphoric acid (IPA) from Israel. Such merchandise is classifiable under item number 2809.20.00 of the Harmonized Tariff Schedule (HTS). The HTS item number is provided for convenience and U.S. Customs Service purposes. The written description of the scope remains dispositive.

#### **Subsidies Valuation Information**

##### *Period of Review*

The period for which we are measuring subsidies is calendar year 1998.

##### *Allocation Period*

In *British Steel plc. v. United States*, 879 F.Supp. 1254 (CIT 1995) (*British Steel I*), the U.S. Court of International Trade (the Court) ruled against the allocation period methodology for non-recurring subsidies that the Department had employed for the past decade, as it was articulated in the *General Issues Appendix* appended to the *Final Countervailing Duty Determination; Certain Steel Products from Austria*, 58 FR 37225 (July 9, 1993) (GIA). In accordance with the Court's decision on remand, the Department determined that the most reasonable method of deriving the allocation period for nonrecurring subsidies is a company-specific average useful life (AUL). This remand determination was affirmed by the Court on June 4, 1996. See, *British Steel plc. v. United States*, 929 F.Supp. 426, 439 (CIT 1996) (*British Steel II*).

However, in administrative reviews where the Department examines non-recurring subsidies received prior to the POR which have been countervailed based on an allocation period established in an earlier segment of the proceeding, it is not practicable to reallocate those subsidies over a different period of time. Where a countervailing duty rate in earlier segments of a proceeding was calculated based on a certain allocation period and resulted in a certain benefit stream, redefining the allocation period in later segments of the proceeding would entail taking the original grant amount and creating an entirely new benefit stream for that grant. (See e.g., *Certain Carbon Steel Products from Sweden; Final Results of Countervailing Duty Administrative Review*, 62 FR 16549 (April 7, 1997)).

In this administrative review, the Department is considering non-recurring subsidies previously allocated in earlier administrative reviews under the old practice, non-recurring subsidies also previously allocated in recent administrative reviews under the new practice, and non-recurring subsidies received during the POR to which the countervailing duty regulations mentioned above apply. Therefore, for purposes of these preliminary results, the Department is using the original allocation period of 10 years which was assigned to non-recurring subsidies received prior to the 1995 administrative review (the first review for which the Department implemented the *British Steel I* decision). For non-recurring subsidies received since 1995, Rotem has submitted in each administrative review, including this one, AUL calculations based on depreciation and values of productive assets reported in its financial statements. In accordance with the Department's practice, we derived Rotem's company-specific AUL by dividing the aggregate of the annual average gross book values of the firm's depreciable productive fixed assets by the firm's aggregated annual charge to depreciation for a 10-year period. In the current review, this methodology has resulted in an AUL of 22 years. Pursuant to section 351.524(d)(2) of the Final Countervailing Duty Regulations, this company-specific AUL rebuts the presumptive use of the IRS tables. Therefore, for the purposes of these preliminary results, non-recurring subsidies received during the POR will be allocated over 22 years.

#### Privatization

Israel Chemicals Limited (ICL), the parent company which owns 100

percent of Rotem's shares, was partially privatized in 1992, 1993, 1994, 1995 and 1997. In this administrative review, the Government of Israel (GOI) and Rotem reported that additional shares of ICL were sold in 1998. We have previously determined that the partial privatization of ICL represents a partial privatization of each of the companies in which ICL holds an ownership interest. See *Final Results of Countervailing Duty Administrative Review; Industrial Phosphoric Acid from Israel*, 61 FR 53351, 53352 (October 11, 1996) (1994 *Final Results*). In this review and prior reviews of this order, the Department found that Rotem and/or its predecessor, Negev Phosphates Ltd., received non-recurring countervailable subsidies prior to these partial privatizations. Further, the Department found that a portion of the price paid by a private party for all or part of a government-owned company represents partial repayment of prior subsidies. See *GIA*, 58 FR at 37262. Therefore, in the 1992, 1993, 1995 and 1997 reviews, we calculated the portion of the purchase price paid for ICL's shares that is attributable to repayment of prior subsidies. In the 1994 privatization, less than 0.5 percent of ICL shares were privatized. We determined that the percentage of subsidies potentially repaid through this privatization could have no measurable impact on Rotem's overall net subsidy rate. Thus, we did not apply our repayment methodology to the 1994 partial privatization. See 1994 *Final Results*, 61 FR at 53352.

We are now applying the privatization methodology to the 1998 partial privatization in which 29.32 percent of ICL's shares were sold. This approach is consistent with our findings in the *GIA* and Department precedent under the URAA. See, e.g., *GIA*, 58 FR at 37259; *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products from the United Kingdom; Final Results of Countervailing Duty Administrative Review*, 61 FR 58377 (November 14, 1996); *Final Affirmative Countervailing Duty Determination: Certain Pasta from Italy*, 61 FR 30288 (June 14, 1996) (*Pasta Investigation*).

After the Department's final determination in *Pasta Investigation*, one of the companies investigated, Delverde, challenged the Department's determination in the Court of International Trade (CIT). Delverde argued that the Department's methodology regarding change in ownership was erroneous and inconsistent with the Act. Initially, the CIT agreed with Delverde and remanded the case to the Department. See

*Delverde I*, 989 F.Supp. at 234. However, after the Department explained its methodology in more detail and further argued its reasonableness on remand, the CIT affirmed the Department's methodology. See *Delverde II*, 24 F.Supp.2d at 315 (*Delverde II*). Delverde appealed the CIT's decision to the Court of Appeals for the Federal Circuit (CAFC). On February 2, 2000, the CAFC held that the Department may not presume that non-recurring subsidies survive a transfer in a subsidized company's ownership. Accordingly, the CAFC vacated the CIT's decision in *Delverde II* and indicated that it would instruct the CIT to remand the case to the Department. See *Delverde v. United States*, 202 F.3d 1360, 1369 (Fed. Cir. 2000). On June 20, 2000, the CAFC denied the Department's petition for rehearing and suggestion for rehearing *en banc*. See *Delverde, S.r.L. v. United States*, Court No. 99-1186 (Fed. Cir. 2000).

The Department has not received a remand from the CIT on *Delverde II* and has, thus, not yet addressed what revisions to our change-in-ownership methodology may be necessary. We are examining the relevance of the change in ownership issue decided in *Delverde II* to this administrative review of IPA from Israel. If necessary, we will collect additional information about ICL's privatization by issuing a questionnaire as soon as possible. For these preliminary results, we have continued to use the repayment methodology described in the *GIA* in the same way as it was used in *Pasta Investigation* and five prior administrative reviews of this countervailing duty order. We invite comments from interested parties on revisions to our change of ownership methodology.

#### Grant Benefit Calculations

To calculate the benefit for the POR, we followed the same methodology used in the final results of prior administrative reviews. We converted Rotem's shekel-denominated grants into U.S. dollars, using the exchange rate in effect on the date the grant was received. We then applied the grant methodology to determine the benefit for the POR. See *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Review*, 63 FR 13626, 13633 (March 20, 1998) (1995 *Final Results*).

#### Discount Rates

We considered Rotem's cost of long-term borrowing in U.S. dollars as reported in the company's financial statements for use as the discount rate

used to allocate the countervailable benefit over time. However, this information includes Rotem's borrowing from its parent company, ICL, and thus does not provide an appropriate discount rate. Therefore, we have turned to ICL's cost of long-term borrowing in U.S. dollars in each year from 1984 through 1997 as the most appropriate discount rate. ICL's interest rates are shown in the notes to the company's financial statements, public documents which are in the record of this review. See *Comment 9* in the *1995 Final Results*.

## Analysis of Programs

### I. Programs Conferring Subsidies

#### A. Encouragement of Capital Investments Law (ECIL)

The ECIL program is designed to encourage the distribution of the population throughout Israel, to create new sources of employment, to aid the absorption of immigrants, and to develop the economy's production capacity. To be eligible for benefits under the ECIL, including investment grants, capital grants, accelerated depreciation, reduced tax rates, and certain loans, applicants must obtain approved enterprise status. Investment grants cover a percentage of the cost of the approved investment, and the amount of the grant depends on the geographic location of eligible enterprises. For purposes of the ECIL program, Israel is divided into three zones; Development Zones A and B, and the Central Zone. Under the ECIL program the Central Zone was not eligible for benefits. In *Final Affirmative Countervailing Duty Determination: Industrial Phosphoric Acid From Israel*, 52 FR 25447 (July 7, 1987) (*IPA Investigation*), the Department found the ECIL grant program to be *de jure* specific because the program limits the availability of grants to enterprises located in specific regions. In this review, no new information or evidence of changed circumstances has been submitted to warrant reconsideration of this determination.

Rotem is located in Development Zone A, and received ECIL investment and capital grants in disbursements over a period of years for several projects. In past reviews, we have treated these grants as non-recurring. The guidelines set forth in section 351.524 of Department's countervailing duty regulations support finding these grants to be non-recurring. As explained in the "Allocation Period" section above, for grants that have been allocated in prior administrative reviews, we are continuing to use the allocation period

assigned to these grants. For grants received during the POR, we have used the AUL calculated by Rotem in this review, which is 22 years. To calculate the benefit for the POR, we followed the same methodology used in the final results of the 1995 administrative review, as indicated in the "Grant Benefit Calculations" section above.

In prior reviews of this order, we applied the methodology described in our proposed countervailing duty regulations when determining whether to allocate non-recurring grants over time or expense them in the year of receipt ("the 0.5 percent test"). Accordingly, grant disbursements exceeding 0.5 percent of a company's sales in the year of receipt were allocated over time while grants below or equal to 0.5 percent of sales were countervailed in full ("expensed") in the year of receipt (see *Countervailing Duties (Proposed Rules)*, 54 FR 23366, 23384 (section 355.49(a)(3)) (May 31, 1989)). However, section 351.524(b)(2) of our new countervailing duty regulations directs us to conduct the 0.5 percent test based on the company's sales in the year of authorization rather than the year of receipt. Where possible, we applied this new regulation, however, we did not redo the 0.5 percent test for disbursements received prior to the POR because we had already calculated a benefit stream for those disbursements in a prior administrative reviews.

Pursuant to section 351.504(c) of our regulations, we used our standard grant methodology as noted above in the "Grant Benefit Calculations" section to calculate the countervailable subsidy from ECIL grants. We allocated some of these grants over time because they met the 0.5 percent test, as described above, and expensed others in the POR that did not pass this test.

To calculate the total subsidy in the POR, we first summed the grant amounts allocated to and received in 1998, after taking into account the partial privatizations in 1992, 1993, 1995, 1997 and 1998. To derive the subsidy rates, as discussed in the *1995 Final Results*, we attributed ECIL grants that were tied to a particular facility over the sales of the product produced by that facility plus sales of all products into which that product may be incorporated. Accordingly, we attributed ECIL grants to Rotem's phosphate rock mines to total sales; we attributed grants to Rotem's green acid facility to total sales minus direct sales of phosphate rock; and, finally, we attributed grants to Rotem's IPA facilities to sales of IPA, MKP, fertilizers, and "IPA-Akonomika" and

MKP-HCL (by-products of IPA production which contribute to Rotem's sales revenue). We summed the rates obtained on this basis, and preliminarily determine the net countervailable subsidy from ECIL grants to be 4.19 percent *ad valorem* for the POR.

#### B. Infrastructure Grant Program

During the 1998 review period, Rotem received an Infrastructure grant to initiate and establish industrial areas in a certain geographical zone. In the 1996 administrative review, the Department determined that Infrastructure grants were specifically provided to Rotem, and that they conferred a benefit. See *Industrial Phosphoric Acid from Israel; Final Results of Countervailing Duty Administrative Review*, 63 FR 13626, 13633 (March 20, 1998). No new information or evidence of changed circumstances has been submitted to warrant reconsideration.

In past reviews, we determined these grants to be "non-recurring. The guidelines set forth in section 351.524 of the Department's countervailing duty regulations support finding these grants to be non-recurring. Therefore, we calculated the benefit under this program using the methodology for non-recurring grants noted above in the "Grant Benefit Calculations" section. On this basis, we preliminarily determine the net subsidy from this program to be 0.07 percent *ad valorem* for the POR.

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

We examined the following programs and preliminarily determine that the producer and/or exporter of the subject merchandise did not apply for or receive benefits under these programs during the POR:

- A. Environmental Grant Program.
- B. Reduced Tax Rates under ECIL.
- C. ECIL Section 24 loans.
- D. Dividends and Interest Tax Benefits under Section 46 of the ECIL.
- E. ECIL Preferential Accelerated Depreciation.

F. Encouragement of Industrial Research and Development Grants (EIRD).

During the 1998 review period, Rotem did not receive any new EIRD grants but did receive two small disbursements for prior projects (payment was withheld until the research was completed). In the *1995 Final Results*, we determined that EIRD grants were specifically provided to Rotem, and that they conferred a benefit. In this review, we preliminarily determine that the two grants received by Rotem were tied to research relating to downstream

products for which IPA is an input. *See*, section 351.525(b)(5) of the Department's countervailing duty regulations concerning the attribution of subsidies. Therefore, we preliminarily determine that the grants provide no benefit to the production of IPA.

### III. Other Program Examined

#### Labor Training Grant

In its questionnaire response, Rotem reported that it had received a very small labor training grant as payment for hiring and training conducted in a prior period. In previous administrative reviews, we have found that this program was not used (*see, e.g., 1994 Final Results and 1996 Final Results*). Under section 351.524 of the countervailing duty regulations, grants for worker training are normally considered recurring and are expensed in the year of receipt. For purposes of this administrative review, we expensed this labor training grant and have found that any subsidy which could be calculated for this program would be so small (well under 0.005 percent *ad valorem*) that there would be no impact on the overall subsidy rate. Accordingly, because there would be no impact on the overall subsidy rate in the instant review, we do not consider it necessary to address the issue of specificity for purposes of this administrative review. *See e.g., Final Affirmative Countervailing Duty Determination: Steel Wire Rod from Germany*, 62 FR 54990, 54995 (October 22, 1997), *Certain Carbon Steel Products from Sweden: Final Results of Countervailing Duty Administrative Review*, 62 FR 16549 (April 7, 1997), and *Final Results of Countervailing Duty Administrative Review: Live Swine from Canada*, 63 FR 2204 (January 14, 1998).

#### Preliminary Results of Review

In accordance with 19 CFR 351.213(b), 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 Rotem to be 4.26 percent *ad valorem*. If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Customs Service (Customs) to assess countervailing duties as indicated above.

As a result of the International Trade Commission's determination that revocation of this countervailing duty order would not likely lead to continuation or recurrence of material injury to an industry in the United

States in the reasonably foreseeable future, the Department, pursuant to section 751(d)(2) of the Act, revoked the countervailing duty order on IPA from Israel. *See Revocation Countervailing Duty Order: Industrial Phosphoric Acid from Israel*, 65 FR 114 (June 13, 2000). Pursuant to section 751(c)(6)(A)(iv) of the Act and 19 CFR 351.222(i)(2)(ii), the effective date of revocation was January 1, 2000. Accordingly, the Department has instructed Customs to discontinue suspension of liquidation and collection of cash deposits on entries of the subject merchandise entered or withdrawn from warehouse on or after January 1, 2000. The Department, however, will conduct administrative reviews of subject merchandise entered prior to the effective date of revocation in response to appropriately filed requests for review.

#### 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 publication of this notice. Pursuant to 19 CFR 351.309, interested parties may submit written comments in response to these preliminary results. Normally, case briefs are to be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, are to be submitted no later than five days after the time limit for filing case briefs. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issues, and (2) a brief summary of the argument. 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. Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than ten days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date case briefs, under 19 CFR 351.309(c)(ii), are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief or at a hearing. These

preliminary results are 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 25, 2000.

**Troy H. Cribb,**

*Acting Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

#### Closed Meeting of the U.S. Automotive Parts Advisory Committee (APAC)

**AGENCY:** International Trade Administration, Commerce.

**ACTION:** Notice.

**SUMMARY:** The APAC will have a closed meeting on September 19, 2000, at the U.S. Department of Commerce to discuss U.S.-made automotive parts sales in Japanese and other Asian markets.

**DATES:** September 19, 2000.

**FOR FURTHER INFORMATION CONTACT:** Dr. Robert Reck, U.S. Department of Commerce, Room 4036, Washington, D.C. 20230, telephone: 202-482-1418.

**SUPPLEMENTARY INFORMATION:** The U.S. Automotive Parts Advisory Committee (the "Committee") advises U.S. Government officials on matters relating to the implementation of the Fair Trade in Automotive Parts Act of 1998 (Public Law 105-261). The Committee: (1) Reports to the Secretary of Commerce on barriers to sales of U.S.-made automotive parts and accessories in Japanese and other Asian markets; (2) reviews and considers data collected on sales of U.S.-made auto parts and accessories in Japanese and other Asian markets; (3) advises the Secretary of Commerce during consultations with other Governments on issues concerning sales of U.S.-made automotive parts in Japanese and other Asian markets; and (4) assists in establishing priorities for the initiative to increase sales of U.S.-made auto parts and accessories to Japanese markets, and otherwise provide assistance and direction to the Secretary of Commerce in carrying out the intent of that section; and (5) assists the Secretary of Commerce in reporting to Congress by submitting an annual written report to the Secretary on the sale of U.S.-made automotive parts in Japanese and other Asian markets, as well as any other issues with respect to which the Committee provides advice