

LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This new shipper review and notice are published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.214.

Dated: May 31, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01-14380 Filed 6-6-01; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-831]

Stainless Steel Plate in Coils From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of preliminary results of antidumping duty administrative review of stainless steel plate in coils from the Republic of Korea.

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on stainless steel plate in coils from the Republic of Korea in response to a request from respondent, Pohang Iron & Steel Co., Ltd. ("POSCO"). This review covers imports of subject merchandise from POSCO. The period of review ("POR") is November 4, 1998 through April 30, 2000.

Our preliminary results of review indicate that respondent POSCO has sold subject merchandise at less than normal value ("NV") during the POR. If these preliminary results are adopted in our final results of this administrative review, we will instruct the U.S. Customs Service to assess antidumping duties on suspended entries for POSCO.

We invite interested parties to comment on these preliminary results. Parties who submit arguments in this segment of the proceeding should also submit with each argument (1) a statement of the issue and (2) a brief summary of the argument.

EFFECTIVE DATE: June 7, 2001.

FOR FURTHER INFORMATION CONTACT: Brandon Farlander, Laurel LaCivita or Rick Johnson, Import Administration, International Trade Administration,

U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-0182, (202) 482-4243 or (202) 482-3818, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended ("the Act"), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations codified at 19 CFR part 351 (2000).

Background

On May 16, 2000, the Department published in the **Federal Register** a notice of "Opportunity to Request Administrative Review" of the antidumping duty order on stainless steel plate in coils from the Republic of Korea (65 FR 31141). On May 31, 2000, petitioners (Allegheny Ludlum, AK Steel Corporation (formerly Armco, Inc.), J&L Specialty Steel, Inc., North American Stainless, Butler-Armco Independent Union, Zanesville Armco Independent Union, and the United Steelworkers of America, AFL-CIO/CLC) and POSCO, a producer and exporter of subject merchandise during the POR, in accordance with 19 CFR 351.213(b)(1) and 19 CFR 351.213(b)(2), respectively, requested an administrative review of the antidumping order covering the period November 4, 1998, through April 30, 2000. On July 7, 2000, the Department published in the **Federal Register** a notice of initiation of administrative review of this order (65 FR 41942).

Under section 751(a)(3)(A) of the Act, the Department may extend the deadline for completion of an administrative review if it determines that it is not practicable to complete the review within the statutory time limit. On December 18, 2000, the Department extended the time limit for the preliminary results in this review to March 19, 2001. *See Stainless Steel Plate in Coils From the Republic of Korea: Extension of Time Limit for the Preliminary Results of the Antidumping Duty Administrative Review*, 65 FR 81488 (December 26, 2000). On March 7, 2001, the Department extended the time limit for the preliminary and final results in this review. The preliminary results are now due on May 31, 2001. The final results are due 180 days after the date of the publication of the

preliminary results. *See Stainless Steel Plate in Coils From the Republic of Korea: Extension of Time Limit for the Preliminary and Final Results of the Antidumping Duty Administrative Review*, 66 FR 14891 (March 14, 2001).

The Department is conducting this administrative review in accordance with section 751 of the Act.

Verification

As provided in section 782(i) of the Act, we verified sales and cost information provided by POSCO, from February 2, 2001, to February 14, 2001, and February 19, 2001, to February 23, 2001, respectively, using standard verification procedures, including an examination of relevant sales, cost, and financial records, and selection of original documentation containing relevant information. Our verification results are outlined in the public version of the verification report and are on file in the Central Records Unit ("CRU") located in room B-099 of the main Department of Commerce Building, 14th Street and Constitution Avenue, NW., Washington, DC.

Scope of the Review

The product covered by this order is certain stainless steel plate in coils. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject plate products are flat-rolled products, 254 mm or over in width and 4.75 mm or more in thickness, in coils, and annealed or otherwise heat treated and pickled or otherwise descaled. The subject plate may also be further processed (e.g., cold-rolled, polished, etc.) provided that it maintains the specified dimensions of plate following such processing. Excluded from the scope of this order is the following: (1) Plate not in coils, (2) plate that is not annealed or otherwise heat treated and pickled or otherwise descaled, (3) sheet and strip, and (4) flat bars. In addition, certain cold-rolled stainless steel plate in coils is also excluded from the scope of this order. The excluded cold-rolled stainless steel plate in coils is defined as that merchandise which meets the physical characteristics described above that has undergone a cold-reduction process that reduced the thickness of the steel by 25 percent or more, and has been annealed and pickled after this cold reduction process.

The merchandise subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) at subheadings: 7219.11.00.30, 7219.11.00.60,

7219.12.00.06, 7219.12.00.21,
7219.12.00.26, 7219.12.00.51,
7219.12.00.56, 7219.12.00.66,
7219.12.00.71, 7219.12.00.81,
7219.90.00.10, 7219.90.00.20,
7219.90.00.25, 7219.90.00.60,
7219.90.00.80, 7220.11.00.00,
7220.90.00.10, 7220.90.00.15,
7220.90.00.60, and 7220.90.00.80.

Although the HTS subheadings are provided for convenience and Customs purposes, the written description of the scope of the orders is dispositive.

Normal Value Comparisons

To determine whether POSCO's sales of subject merchandise from South Korea to the United States were made at less than fair value, we compared the constructed export price ("CEP") to the NV, as described in the "Constructed Export Price" and "Normal Value" sections of this notice, below. In accordance with section 777A(d)(2) of the Act, we calculated monthly weighted-average prices for NV and compared these to individual CEP transactions. We made corrections to reported U.S. and home market sales data based on the Department's findings at verification, as appropriate.

Transactions Reviewed

We compared the aggregate volume of POSCO's home market sales of the foreign like product and U.S. sales of the subject merchandise to determine whether the volume of the foreign like product POSCO sold in South Korea was sufficient, pursuant to section 773(a)(1)(C) of the Act, to form a basis for NV. Because POSCO's volume of home market sales of the foreign like product was greater than five percent of its U.S. sales of subject merchandise, in accordance with section 773(a)(1)(B)(i) of the Act, we have based the determination of NV upon POSCO's home market sales of the foreign like product. Thus, we based NV on the prices at which the foreign like product was first sold for consumption in South Korea, in the usual commercial quantities, in the ordinary course of trade, and, to the extent possible, at the same level of trade ("LOT") as the CEP sales.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products covered by the *Scope of the Review* section above, which were produced and sold by the POSCO in the home market during the POR, to be foreign like products for purposes of determining appropriate comparisons to U.S. sales. Where there were no sales of identical merchandise in the home

market to compare to U.S. sales, we compared U.S. sales to the next most similar foreign like product on the basis of the characteristics and reporting instructions listed in the Department's questionnaire.

Export Price and Constructed Export Price

In accordance with section 772(a) of the Act, export price is the price at which the subject merchandise is first sold (or agreed to be sold) before the date of importation by the producer or exporter of the subject merchandise outside of the United States to an unaffiliated purchaser in the United States or to an unaffiliated purchaser for exportation to the United States, as adjusted under subsection (c). In accordance with section 772(b) of the Act, constructed export price is the price at which the subject merchandise is first sold (or agreed to be sold) in the United States before or after the date of importation by or for the account of the producer or exporter of such merchandise or by a seller affiliated with the producer or exporter, to a purchaser not affiliated with the producer or exporter, as adjusted under subsections (c) and (d). For purposes of this review, POSCO has classified its sales as export price ("EP") sales. However, after an analysis of POSCO's information on the record, we preliminarily determine that POSCO's sales should be classified as constructed export price sales.

POSCO identified two channels of distribution for U.S. sales. For U.S. sales channel one (*i.e.*, POSCO sales through Pohang Steel America Corp. ("POSAM"), POSCO's wholly owned U.S. subsidiary, to an unaffiliated customer in the United States) and for U.S. sales channel two (*i.e.*, POSCO sales through POSCO Steel Sales & Services Co., Ltd. ("POSTEEL"), POSCO's affiliated trading company in South Korea, to POSAM, POSCO's wholly owned U.S. subsidiary, and finally, to an unaffiliated customer in the United States), we based our calculation on CEP, in accordance with subsections 772(b), (c), and (d) of the Act, for those sales to the first unaffiliated purchaser that took place after importation into the United States.

As noted above, POSCO has indicated that sales through channels one and two should be treated as EP sales. Based on the information on the record, however, we preliminarily determine that such sales are CEP sales. First, POSCO stated that POSAM, and not POSCO, bears the credit risk on all subject sales to the unaffiliated U.S. customers. See POSCO's October 2, 2000, Section A

supplemental questionnaire response, at 15. Second, POSAM takes title to the subject merchandise and, when it sold the subject merchandise to the unaffiliated U.S. customer, POSAM issued an invoice to the U.S. customer. See POSCO's October 2, 2000, Section A supplemental questionnaire response, at 10. Based upon all the information on the record, we find that sales in both channels must be considered as having taken place in the United States. These facts were also present in the original less than fair value investigation in which we determined POSCO's sales through POSAM to be CEP sales (*see Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils ("SSPC") from the Republic of Korea*, 64 FR 15443, 15453 (March 31, 1999)). Therefore, we determine that POSCO's sales are appropriately classified as CEP sales.

We calculated CEP based on packed prices to unaffiliated purchasers in the United States. We made deductions for movement expenses in accordance with section 772(c)(2)(A) of the Act; these included, where appropriate, foreign inland freight from the plant to the port of export, foreign brokerage and Korean customs clearance fees, international freight, marine insurance, U.S. customs duty, and U.S. brokerage and wharfage expenses (classified as other U.S. transportation expenses). Also, in accordance with section 772(c)(2)(A) of the Act, we deducted packing expenses because packing expenses are included in the constructed export price. In accordance with section 772(d)(1) of the Act, we deducted those selling expenses associated with economic activities occurring in the United States, including direct selling expenses (imputed credit expenses, postage and term credit expenses, and letter of credit and remittance expenses) and indirect selling expenses, including inventory carrying costs. For POSAM's indirect selling expenses, we adjusted POSCO's imputed credit expense calculation to include only the sum of POSAM's imputed credit expenses as an offset, as reported in POSCO's Section C U.S. sales database. For CEP sales, we also made an adjustment for profit in accordance with section 772(d)(3) of the Act. Additionally, we added to the U.S. price an amount for duty drawback pursuant to section 772(c)(1)(B) of the Act.

Normal Value

After testing home market viability and whether home market sales were at below-cost prices, we calculated NV as noted in the "Price-to-Price Comparisons" and "Price-to-

Constructed Value ("CV") Comparison" sections of this notice.

Cost of Production ("COP") Analysis

Because the Department determined that POSCO made sales in the home market at prices below the cost of producing the subject merchandise in the investigation and therefore excluded such sales from normal value (*see, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils from the Republic of Korea*, 64 FR 15446 (March 31, 1999)), the Department determined that there are reasonable grounds to believe or suspect that POSCO made sales in the home market at prices below the cost of producing the merchandise in this review. *See* section 773(b)(2)(A)(ii) of the Act. As a result, the Department initiated a cost of production inquiry in this case on July 10, 2000, to determine whether POSCO made home market sales during the POR at prices below their respective COPs within the meaning of section 773(b) of the Act.

We conducted the COP analysis described below.

A. Calculation of COP

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of POSCO's cost of materials and fabrication for the foreign like product, plus amounts for home market selling, general and administrative expenses ("SG&A"), interest expenses, and packing costs. We used home market sales and COP information provided by POSCO in its questionnaire responses, with the following exceptions:

1. POSCO purchased a major input from an affiliate and used the input's transfer prices in its calculation of COP and CV. For the preliminary results, we have increased the transfer price of these purchases to a market price in accordance with section 773(f)(2) and (3) of the Act. This major input is business proprietary information. *See* the May 31, 2001, memo to Neal Halper, Director, Office of Accounting (proprietary version).

2. In 1999, POSCO wrote off all of its deferred foreign exchange losses through retained earnings. POSCO originally capitalized these losses with the intention of recognizing the loss over time on its income statement. Subsequently, POSCO expensed these deferred losses directly to equity in 1999. Therefore, we adjusted POSCO's reported COP to include the entire amount of the remaining deferred foreign exchange losses. *See* the May 31, 2001, memo to Neal Halper, Director,

Office of Accounting (proprietary version).

3. We adjusted POSCO's reported foreign exchange ratio to include gains and losses associated with cash and "other" accounts in the numerator. *See* the May 31, 2001, memo to Neal Halper, Director, Office of Accounting (proprietary version).

B. Test of Home Market Prices

We compared the weighted-average COP from January 1, 1999, through March 31, 2000 ("cost reporting period") for POSCO, adjusted where appropriate (*see* above), to its home market sales of the foreign like product as required under section 773(b) of the Act. In determining whether to disregard home market sales made at prices less than the COP, we examined whether: (1) within an extended period of time, such sales were made in substantial quantities; and (2) such sales were made at prices which permitted the recovery of all costs within a reasonable period of time.

C. Results of the COP Test

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of a respondent's sales of a given product within an extended period of time are at prices less than the COP, we do not disregard any below-cost sales of that product because the below-cost sales are not made in "substantial quantities." Where 20 percent or more of a respondent's sales of a given product during the extended period are at prices less than the COP, we determine such sales to have been made in "substantial quantities." *See* section 773(b)(2)(C)(i) of the Act. The extended period of time for this analysis is the POR. *See* section 773(b)(2)(B) of the Act. Because each individual price was compared against the weighted average COP for the cost reporting period, any sales that were below cost were also at prices which did not permit cost recovery within a reasonable period of time. *See* section 773(b)(2)(D). We compared the COP for subject merchandise to the reported home market prices less any applicable movement charges. Based on this test, we disregarded below-cost sales. Where all sales of a specific product were at prices below the COP, we disregarded all sales of that product.

D. Calculation of CV

In accordance with section 773(e)(1) of the Act, we calculated POSCO's CV based on the sum of POSCO's cost of materials, fabrication, SG&A, interest expenses and profit. We calculated the COPs included in the calculation of CV as noted above in the "Calculation of

COP" section of this notice. In accordance with section 773(e)(2)(A) of the Act, we based SG&A and profit on the amounts incurred and realized by POSCO in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country.

Price-to-Price Comparisons

We based NV on the home market prices to unaffiliated purchasers and those affiliated customer sales which passed the arm's length test. We made adjustments, where appropriate, for physical differences in the merchandise in accordance with section 773(a)(6)(C)(ii) of the Act.

We calculated NV based on the home market prices to unaffiliated home market customers. We made adjustments, where applicable, for movement expenses (*i.e.*, inland freight from plant to distribution warehouse, warehousing expense, and inland freight from either plant/distribution warehouse to customer) in accordance with section 773(a)(6)(B) of the Act. We made circumstance-of-sale adjustments or deductions for credit, warranty expense and interest revenue, where appropriate. In accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs. Also, we added to NV an amount for duty drawback.

Price-to-CV Comparisons

In accordance with section 773(a)(4) of the Act, we base NV on CV if we are unable to find suitable home market sales of the foreign like product. Where applicable, we would make adjustments to CV in accordance with section 773(a)(8) of the Act. We did not use CV for POSCO for these preliminary results of review.

Level of Trade

In accordance with section 773(a)(1)(B) of the Act, to the extent practicable, we determine NV based on sales in the comparison market at the same level of trade ("LOT") as the EP or CEP transaction. The NV LOT is that of the starting-price sales in the comparison market or, when NV is based on CV, that of the sales from which we derive SG&A expenses and profit. For EP, the LOT is also the level of the starting-price sale, which is usually from the exporter to the importer. For CEP, it is the level of the constructed sale from the exporter to the affiliated importer.

To determine whether NV sales are at a different LOT than EP or CEP sales, we examine stages in the marketing process and selling functions along the chain of

distribution between the producer and the unaffiliated customer. If the comparison market sales are at a different LOT, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the LOT of the export transaction, we make an LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales, if the NV level is more remote from the factory than the CEP level and there is no basis for determining whether the differences in the levels between NV and CEP sales affect price comparability, we adjust NV under section 773(A)(7)(B) of the Act (the CEP offset provision). *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Plate from South Africa*, 62 FR 61731 (November 19, 1997).

In the present review, POSCO requested a LOT adjustment or a CEP offset if the Department determines that POSCO's sales through POSAM are CEP sales. (As noted above, we have preliminarily determined that all of POSCO's U.S. sales through POSAM are CEP sales.) To determine whether an adjustment was necessary, in accordance with the principles discussed above, we examined information regarding the distribution systems in both the United States and South Korean markets, including the selling functions, classes of customer, and selling expenses.

In both the home market ("HM") and U.S. market, POSCO reported one level of trade. *See* POSCO's August 14, 2000, Section A response, at A-11-12. POSCO sold through two channels of distribution in the HM: (1) Directly from its mill to unaffiliated end-users/OEM's and affiliated and unaffiliated service centers; and (2) through POSTEEL to unaffiliated end-users/OEM's and unaffiliated service centers. POSCO sold through two channels of distribution in the U.S. market: (1) Through POSAM to unaffiliated trading companies; and (2) through POSTEEL to POSAM, and then to unaffiliated trading companies.

For sales in HM channel one, POSCO performed all sales-related activities, including arranging for freight and delivery; providing computerized accounting and sales systems; market research; warranty; sales negotiation; after-sales service; quality control; and extending credit. The same selling functions were performed in HM channel two; however, it was POSTEEL, not POSCO, which performed all the major selling functions. Because these selling functions are similar for both sales channels, we preliminarily

determine that there is one LOT in the home market.

For U.S. sales through either channel one or two, POSCO or POSTEEL performed many of the same major selling functions, such as freight and delivery; market research; warranty; sales negotiation; after-sales service; and quality control. In addition, for all U.S. sales, POSAM performed several sales-related activities, such as invoicing customers; extending credit; acting as importer of record; and paying U.S. Customs duties and wharfage. Because these selling functions are similar for both sales channels, we preliminarily determine that there is one LOT in the U.S. market.

Based on our analysis of the selling functions performed for sales in the HM and CEP sales in the U.S. market, we preliminarily determine that, despite the additional selling functions (*i.e.*, serving as importer of record, paying U.S. Customs duties and wharfage, arranging import documents) performed by POSAM on POSCO's U.S. sales, there is not a significant difference in the selling functions performed in the home market and U.S. market and that these sales are made at the same LOT. Therefore, a LOT adjustment or CEP offset is not appropriate.

Preliminary Results of Review

As a result of our review, we preliminarily determine that the following weighted-average dumping margin exists for the period November 4, 1998 through April 30, 2000:

Manufacturer/exporter/reseller	Margin (percent)
POSCO	1.56

The Department will disclose calculations performed within five days of the date of publication of this notice to the parties to this proceeding in accordance with 19 CFR 351.224(b). An interested party may request a hearing within 30 days of publication of these preliminary results. *See* 19 CFR 351.310(c). Any hearing, if requested, will be held 37 days after the date of publication, or the first working day thereafter. Interested parties may submit case briefs and/or written comments no later than 30 days after the date of publication of these preliminary results of review. Rebuttal briefs and rebuttals to written comments, limited to issues raised in such briefs or comments, may be filed no later than 37 days after the date of publication. Further, we would appreciate it if parties submitting written comments also provide the Department with an additional copy of

those comments on diskette. The Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days of publication of these preliminary results.

Assessment

Upon issuance of the final results of this review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b), we have calculated exporter/importer-specific assessment rates. We divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. We will direct the U.S. Customs Service to assess the resulting percentage margin against the entered customs values for the subject merchandise on each of that importer's entries under the relevant order during the review period. Upon completion of this review, the Department will issue appraisal instructions directly to the Customs Service.

Cash Deposit

The following cash deposit requirements will be effective upon publication of these final results for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed above (except that if the rate for a particular product is de minimis, *i.e.*, less than 0.5 percent, a cash deposit rate of zero will be required for that company); (2) for previously investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less than fair value ("LTFV") investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be the "all others" rate of 16.26 percent, which is the all others rate established in the LTFV investigation. These deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

Notification to Interested Parties

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of the antidumping duties occurred and the subsequent assessment of double antidumping duties.

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 351.305, that continues to govern business proprietary information in this segment of the proceeding. 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 the terms of an APO is a sanctionable violation.

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

Dated: May 31, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

[FR Doc. 01-14382 Filed 6-6-01; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE**International Trade Administration****Quarterly Update to Annual Listing of Foreign Government Subsidies on Articles of Cheese Subject to an In-Quota Rate of Duty**

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

ACTION: Publication of quarterly update to annual listing of foreign government subsidies on articles of cheese subject to an in-quota rate of duty.

SUMMARY: The Department of Commerce, in consultation with the Secretary of Agriculture, has prepared its quarterly update to the annual list of foreign government subsidies on articles of cheese subject to an in-quota rate of duty during the period January 1, 2001 through March 31, 2001. We are publishing the current listing of those subsidies that we have determined exist. **EFFECTIVE DATE:** June 7, 2001.

FOR FURTHER INFORMATION CONTACT: Tipton Troidl, Office of AD/CVD Enforcement VI, Group II, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Ave., NW., Washington, DC 20230, telephone: (202) 482-2786.

SUPPLEMENTARY INFORMATION: Section 702(a) of the Trade Agreements Act of 1979 (as amended) (the Act) requires the Department of Commerce (the Department) to determine, in consultation with the Secretary of Agriculture, whether any foreign government is providing a subsidy with respect to any article of cheese subject

to an in-quota rate of duty, as defined in section 702(g)(b)(4) of the Act, and to publish an annual list and quarterly updates of the type and amount of those subsidies. We hereby provide the Department's quarterly update of subsidies on cheeses that were imported during the period January 1, 2001 through March 31, 2001.

The Department has developed, in consultation with the Secretary of Agriculture, information on subsidies (as defined in section 702(g)(b)(2) of the Act) being provided either directly or indirectly by foreign governments on articles of cheese subject to an in-quota rate of duty. The appendix to this notice lists the country, the subsidy program or programs, and the gross and net amounts of each subsidy for which information is currently available.

The Department will incorporate additional programs which are found to constitute subsidies, and additional information on the subsidy programs listed, as the information is developed.

The Department encourages any person having information on foreign government subsidy programs which benefit articles of cheese subject to an in-quota rate of duty to submit such information in writing to the Assistant Secretary for Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

This determination and notice are in accordance with section 702(a) of the Act.

Dated: May 31, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

APPENDIX—SUBSIDY PROGRAMS ON CHEESE SUBJECT TO AN IN-QUOTA RATE OF DUTY

Country	Program(s)	Gross ¹ Subsidy (\$/lb)	Net ² Subsidy (\$/lb)
Austria	European Union Restitution Payments	0.14	0.14
Belgium	EU Restitution Payments	0.05	0.05
Canada	Export Assistance on Certain Types of Cheese	0.23	0.23
Denmark	EU Restitution Payments	0.05	0.05
Finland	EU Restitution Payments	0.17	0.17
France	EU Restitution Payments	0.10	0.10
Germany	EU Restitution Payments	0.08	0.08
Greece	EU Restitution Payments	0.00	0.00
Ireland	EU Restitution Payments	0.06	0.06
Italy	EU Restitution Payments	0.10	0.10
Luxembourg	EU Restitution Payments	0.07	0.07
Netherlands	EU Restitution Payments	0.04	0.04
Norway	Indirect (Milk) Subsidy	0.28	0.28
	Consumer Subsidy	0.13	0.13
Total		0.41	0.41
Portugal	EU Restitution Payments	0.05	0.05
Spain	EU Restitution Payments	0.04	0.04
Switzerland	Deficiency Payments	0.16	0.16