

extraordinarily complicated. *See* section 751(a)(2)(B)(iv) of the Act, and 19 CFR 351.214(i)(2).

At the request of interested parties, the Department extended the deadline for the submission of surrogate value information and case and rebuttal briefs by three weeks. As a result of the extensions and the extraordinarily complicated issues raised in this review segment, including the honey valuation and *bona fides* issues, it is not practicable to complete these new shipper reviews within the current time limit. Accordingly, the Department is extending the time limit for the completion of the final results by 30 days until September 27, 2006, in accordance with section 751(a)(2)(B)(iv) of the Act and 19 CFR 351.214(i)(2).

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: August 21, 2006.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

(C-580-835)

#### **Preliminary Results of Countervailing Duty Administrative Review: Stainless Steel Sheet and Strip in Coils 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 stainless steel sheet and strip in coils from the Republic of Korea (Korea) for the period January 1, 2004, through December 31, 2004. We preliminarily find that the net subsidy rate for the producer/exporter under review is *de minimis*. *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:** August 28, 2006.

#### **FOR FURTHER INFORMATION CONTACT:**

Preeti Tolani or Darla Brown, AD/CVD Operations, Office 3, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, NW, Washington,

DC 20230; telephone: (202) 482-0395 or (202) 482-2849, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On August 6, 1999, the Department published in the **Federal Register** the CVD order on stainless steel sheet and strip in coils from Korea. *See Amended Final Determination: Stainless Steel Sheet and Strip in Coils from the Republic of Korea; and Notice of Countervailing Duty Orders: Stainless Steel Sheet and Strip from France, Italy and the Republic of Korea*, 64 FR 42923 (August 6, 1999) (*Amended Sheet and Strip*). On August 1, 2005, 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*, 70 FR 44085 (August 1, 2005). On August 31, 2005, we received a timely request for review from Dai Yang Metal Co., Ltd. (DMC). On September 28, 2005, the Department published a notice of initiation of the administrative review of the CVD order on stainless steel sheet and strip in coils from the Republic of Korea covering the period of review (POR) January 1, 2004, through December 31, 2004. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 70 FR 56631 (September 28, 2005). On October 19, 2005, the Department sent questionnaires to DMC and the Government of Korea (GOK). On December 21, 2005, the Department received questionnaire responses from DMC and the GOK. On March 31, 2006, DMC and the GOK submitted responses to the Department's March 17, 2006, supplemental questionnaires. On April 26, 2006, the Department published in the **Federal Register** an extension of the preliminary results deadline. *See Stainless Steel Sheet and Strip in Coils from the Republic of Korea: Extension of Preliminary Results of Countervailing Duty Administrative Review*, 71 FR 24644. On July 14, 2006, DMC and the GOK submitted responses to the Department's June 30, 2006, supplemental questionnaires.

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 DMC.

##### **Scope of Order**

The products subject to this order are certain stainless steel sheet and strip 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 sheet and strip is a flat-rolled product in coils that is greater than 9.5 mm in width and less than 4.75 mm in thickness and that is annealed or otherwise heat treated and pickled or otherwise descaled. The subject sheet and strip may also be further processed (*e.g.*, cold-rolled, polished, aluminized, coated), provided that it maintains the specific dimensions of sheet and strip following such processing.

The merchandise subject to this order is currently classifiable in the *Harmonized Tariff Schedule of the United States* (HTSUS) at subheadings:

7219.13.00.30, 7219.13.00.50,  
7219.13.00.70, 7219.13.00.80,  
7219.14.00.30, 7219.14.00.65,  
7219.14.00.90, 7219.32.00.05,  
7219.32.00.20, 7219.32.00.25,  
7219.32.00.35, 7219.32.00.36,  
7219.32.00.38, 7219.32.00.42,  
7219.32.00.44, 7219.33.00.05,  
7219.33.00.20, 7219.33.00.25,  
7219.33.00.35, 7219.33.00.36,  
7219.33.00.38, 7219.33.00.42,  
7219.33.00.44, 7219.34.00.05,  
7219.34.00.20, 7219.34.00.25,  
7219.34.00.30, 7219.34.00.35,  
7219.35.00.05, 7219.35.00.15,  
7219.35.00.30, 7219.35.00.35,  
7219.90.00.10, 7219.90.00.20,  
7219.90.00.25, 7219.90.00.60,  
7219.90.00.80, 7220.12.10.00,  
7220.12.50.00, 7220.20.10.10,  
7220.20.10.15, 7220.20.10.60,  
7220.20.10.80, 7220.20.60.05,  
7220.20.60.10, 7220.20.60.15,  
7220.20.60.60, 7220.20.60.80,  
7220.20.70.05, 7220.20.70.10,  
7220.20.70.15, 7220.20.70.60,  
7220.20.70.80, 7220.20.80.00,  
7220.20.90.30, 7220.20.90.60,  
7220.90.00.10, 7220.90.00.15,  
7220.90.00.60, and 7220.90.00.80.

Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the merchandise is dispositive.

Excluded from the scope of this order are the following: (1) sheet and strip that is not annealed or otherwise heat treated and pickled or otherwise descaled, (2) sheet and strip that is cut to length, (3) plate (*i.e.*, flat-rolled stainless steel products of a thickness of 4.75 mm or more), (4) flat wire (*i.e.*, cold-rolled sections, with a prepared edge, rectangular in shape, of a width of not more than 9.5 mm), and (5) razor blade steel. Razor blade steel is a flat rolled product of stainless steel, not further worked than cold-rolled (cold-reduced), in coils, of a width of not

more than 23 mm and a thickness of 0.266 mm or less, containing, by weight, 12.5 to 14.5 percent chromium, and certified at the time of entry to be used in the manufacture of razor blades. *See* Chapter 72 of the HTSUS, "Additional U.S. Note" 1(d).

The Department has determined that certain specialty stainless steel products are also excluded from the scope of this order. These excluded products are described below:

Flapper valve steel is defined as stainless steel strip in coils containing, by weight, between 0.37 and 0.43 percent carbon, between 1.15 and 1.35 percent molybdenum, and between 0.20 and 0.80 percent manganese. This steel also contains, by weight, phosphorus of 0.025 percent or less, silicon of between 0.20 and 0.50 percent, and sulfur of 0.020 percent or less. The product is manufactured by means of vacuum arc remelting, with inclusion controls for sulphide of no more than 0.04 percent and for oxide of no more than 0.05 percent. Flapper valve steel has a tensile strength of between 210 and 300 ksi, yield strength of between 170 and 270 ksi, plus or minus 8 ksi, and a hardness (Hv) of between 460 and 590. Flapper valve steel is most commonly used to produce specialty flapper valves in compressors.

Also excluded is a product referred to as suspension foil, a specialty steel product used in the manufacture of suspension assemblies for computer disk drives. Suspension foil is described as 302/304 grade or 202 grade stainless steel of a thickness between 14 and 127 microns, with a thickness tolerance of plus-or-minus 2.01 microns, and surface glossiness of 200 to 700 percent Gs. Suspension foil must be supplied in coil widths of not more than 407 mm, and with a mass of 225 kg or less. Roll marks may only be visible on one side, with no scratches of measurable depth. The material must exhibit residual stresses of 2 mm maximum deflection, and flatness of 1.6 mm over 685 mm length.

Certain stainless steel foil for automotive catalytic converters is also excluded from the scope of this order. This stainless steel strip in coils is a specialty foil with a thickness of between 20 and 110 microns used to produce a metallic substrate with a honeycomb structure for use in automotive catalytic converters. The steel contains, by weight, carbon of no more than 0.030 percent, silicon of no more than 1.0 percent, manganese of no more than 1.0 percent, chromium of between 19 and 22 percent, aluminum of no less than 5.0 percent, phosphorus of no more than 0.045 percent, sulfur of

no more than 0.03 percent, lanthanum of between 0.002 and 0.05 percent, and total rare earth elements of more than 0.06 percent, with the balance iron.

Permanent magnet iron-chromium-cobalt alloy stainless strip is also excluded from the scope of this order. This ductile stainless steel strip contains, by weight, 26 to 30 percent chromium, and 7 to 10 percent cobalt, with the remainder of iron, in widths 228.6 mm or less, and a thickness between 0.127 and 1.270 mm. It exhibits magnetic remanence between 9,000 and 12,000 gauss, and a coercivity of between 50 and 300 oersteds. This product is most commonly used in electronic sensors and is currently available under proprietary trade names such as "Arnokrome III."<sup>1</sup>

Certain electrical resistance alloy steel is also excluded from the scope of this order. This product is defined as a non-magnetic stainless steel manufactured to American Society of Testing and Materials (ASTM) specification B344 and containing, by weight, 36 percent nickel, 18 percent chromium, and 46 percent iron, and is most notable for its resistance to high temperature corrosion. It has a melting point of 1390 degrees Celsius and displays a creep rupture limit of 4 kilograms per square millimeter at 1000 degrees Celsius. This steel is most commonly used in the production of heating ribbons for circuit breakers and industrial furnaces, and in rheostats for railway locomotives. The product is currently available under proprietary trade names such as "Gilphy 36."<sup>2</sup>

Certain martensitic precipitation-hardenable stainless steel is also excluded from the scope of this order. This high-strength, ductile stainless steel product is designated under the Unified Numbering System (UNS) as S45500-grade steel, and contains, by weight, 11 to 13 percent chromium and 7 to 10 percent nickel. Carbon, manganese, silicon and molybdenum each comprise, by weight, 0.05 percent or less, with phosphorus and sulfur each comprising, by weight, 0.03 percent or less. This steel has copper, niobium, and titanium added to achieve aging, and will exhibit yield strengths as high as 1700 Mpa and ultimate tensile strengths as high as 1750 Mpa after aging, with elongation percentages of 3 percent or less in 50 mm. It is generally provided in thicknesses between 0.635 and 0.787 mm, and in widths of 25.4 mm. This product is most commonly used in the manufacture of television

tubes and is currently available under proprietary trade names such as "Durphynox 17."<sup>3</sup>

Finally, three specialty stainless steels typically used in certain industrial blades and surgical and medical instruments are also excluded from the scope of this order. These include stainless steel strip in coils used in the production of textile cutting tools (e.g., carpet knives).<sup>4</sup> This steel is similar to ASTM grade 440F, but containing, by weight, 0.5 to 0.7 percent of molybdenum. The steel also contains, by weight, carbon of between 1.0 and 1.1 percent, sulfur of 0.020 percent or less and includes between 0.20 and 0.30 percent copper and between 0.20 and 0.50 percent cobalt. This steel is sold under proprietary names such as "GIN4 HI-C." The second excluded stainless steel strip in coils is similar to AISI 420-J2 and contains, by weight, carbon of between 0.62 and 0.70 percent, silicon of between 0.20 and 0.50 percent, manganese of between 0.45 and 0.80 percent, phosphorus of no more than 0.025 percent and sulfur of no more than 0.020 percent. This steel has a carbide density on average of 100 carbide particles per square micron. An example of this product is "GIN5" steel. The third specialty steel has a chemical composition similar to AISI 420 F, with carbon of between 0.37 and 0.43 percent, molybdenum of between 1.15 and 1.35 percent, but lower manganese of between 0.20 and 0.80 percent, phosphorus of no more than 0.025 percent, silicon of between 0.20 and 0.50 percent, and sulfur of no more than 0.020 percent. This product is supplied with a hardness of more than Hv 500 guaranteed after customer processing, and is supplied as, for example, "GIN6."

#### Subsidies Valuation Information

*Benchmark for Long-Term Loans issued through 2004:* During the POR, DMC had both won-denominated and foreign currency-denominated long-term loans outstanding which it received from government-owned banks and Korean commercial banks. Based on our findings on this issue in prior investigations and reviews, we are using the following benchmarks to calculate the subsidies attributable to respondent's long-term loans obtained in the years 1991 through 2004:

(1) For countervailable foreign currency-denominated loans, pursuant to 19 CFR 351.505(a)(2)(i), and consistent with our practice to date, our preference is to use the company-

<sup>1</sup> "Arnokrome III" is a trademark of the Arnold Engineering Company.

<sup>2</sup> "Gilphy 36" is a trademark of Imphy, S.A.

<sup>3</sup> "Durphynox 17" is a trademark of Imphy, S.A.

<sup>4</sup> This list of uses is illustrative and provided for descriptive purposes only.

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 April 1992. *See Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 64 FR 30636, 30642 (June 8, 1999) (*Stainless Steel Sheet and Strip*). *See also Final Negative Countervailing Duty Determination: Stainless Steel Plate in Coils from the Republic of Korea*, 64 FR 15530, 15533 (March 31, 1999) (*Plate in Coils*). For variable-rate loans outstanding during the POR, pursuant to 19 CFR 351.505(a)(2)(i), our preference is to use, as the benchmark, an interest rate of a variable-rate lending instrument issued during the POR; and for long-term fixed-rate loans, pursuant to 19 CFR 351.505(a)(2)(iii), our preference is to use a benchmark rate issued in the same year that the loan was issued. However, no such benchmark instruments were available, and consistent with our methodology in the prior administrative review, we relied 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 "Subsidies Valuation Information" section of the accompanying Issues and Decision Memorandum (*2001 Sheet and Strip Decision Memorandum*).

(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, as we determined that the GOK did not control the Korean domestic bond market after 1991, and that domestic bonds may serve as an appropriate benchmark interest rate. *See Plate in Coils*, 64 FR at 15531. Where unavailable, we use the national average of the yields on three-year corporate bonds, as reported by the Bank of Korea (BOK). We note that the use of the three-year corporate bond rate from the BOK follows the approach taken in *Plate in Coils*, 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. *Id.*

I. Program Preliminarily Determined to Confer Subsidies: The GOK's Direction of Credit

In the 1993 investigation of steel products from Korea, the Department determined (1) that the GOK influenced the practices of lending institutions in Korea; (2) that the GOK regulated long-term loans provided to the steel industry on a selective basis; and (3) that the selective provision of these regulated loans resulted in a countervailable benefit. *See Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Steel Products from Korea*, 58 FR 37338 (July 9, 1993) (*Steel Products*). Accordingly, all long-term loans received by the producers/exporters of the subject merchandise were treated as countervailable. The determination in that investigation covered all long-term loans bestowed through 1991. *See id.*, 58 FR at 37339. This finding of control was determined to be sufficient to constitute a government program and government action. *See id.*, 58 FR at 37342. We also determined that (1) the Korean steel sector, as a result of the GOK's credit policies and control over the Korean financial sector, received a disproportionate share of regulated long-term loans, so that the program was, in fact, specific, and (2) that the interest rates on those loans were inconsistent with commercial considerations. *Id.*, 58 FR at 37343. Thus, we countervailed all long-term loans received by the steel sector from all lending sources. As a result of subsequent litigation, the Department submitted final results of redetermination on remand pursuant to *Laclede Steel Co. v. United States*, 93 F. Supp. 2d 1276 (CIT, April 5, 2000), finding that only government-owned or -controlled lending institutions directed credit to the steel industry.

In *Stainless Steel Sheet and Strip*, 64 FR at 30641-2, we determined that the provision of long-term loans to DMC resulted in a financial contribution within the meaning of section 771(5)(D)(i) of the Tariff Act of 1930, as amended (the Act). We also determined that all regulated long-term loans provided to the producers/exporters of the subject merchandise, including DMC, were provided to a specific enterprise or industry, or group thereof, within the meaning of section 771(5A)(D)(iii)(III) of the Act. *See also Final Affirmative Countervailing Duty Determination: Structural Steel Beams from the Republic of Korea*, 65 FR 41051 (July 3, 2000) (*H-beams*), and accompanying Issues and Decision

Memorandum (*H-Beams Decision Memorandum*) at "The GOK's Credit Policies through 1991" section (finding loans made via the GOK's direction of credit policies provided a financial contribution that resulted in the conferral of a benefit, within the meaning of sections 771(5)(D)(i) and 771(5)(E)(ii) of the Act, respectively, and was specific to the Korean steel industry within the meaning of section 771(5A)(D)(iii) of the Act.)

In proceedings subsequent to the investigation, with regard to subsequent periods through 2001, the Department has consistently found that the GOK's control over lending practices of domestic commercial banks and government-owned banks continued to be specific to the steel industry and that such loans conferred a benefit on the producer of the subject merchandise to the extent that the interest rates on these loans were lower than the interest rates on comparable commercial loans, within the meaning of section 771(5)(E)(ii) of the Act. *See Stainless Steel Sheet and Strip*, 64 FR at 30641 (covering 1992 through 1997); *Plate in Coils*, 64 FR at 15332 (regarding 1992 through 1997); *H-beams*, 65 FR at 41051 and *H-Beams Decision Memorandum* at "The GOK's Credit Policies from 1992 through 1998" section (regarding 1998); *Final Results and Partial Rescission of Countervailing Duty Administrative Review: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 67 FR 1964 (January 15, 2002) (*1999 Sheet and Strip*) and accompanying Issues and Decision Memorandum (*1999 Sheet and Strip Decision Memorandum*) at "The GOK's Direction of Credit" section (regarding 1999); *Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate From the Republic of Korea*, 64 FR 73176 at 73180, (December 29, 1999) (*CTL Plate*) (regarding 1999); *Notice of Final Affirmative Countervailing Duty Determination: Certain Cold-Rolled Carbon Steel Flat Products From the Republic of Korea*, 67 FR 62102 (October 3, 2002) (*Cold-Rolled*), and accompanying Issues and Decision Memorandum (*Cold-Rolled Decision Memorandum*) at "The GOK Directed Credit" section (regarding 2000); *2001 Sheet and Strip*, 69 FR 2113 and *2001 Sheet and Strip Decision Memorandum* at "The GOK's Direction of Credit" section (regarding 2001).

During the POR, DMC continued to have outstanding loans that were received prior to the 2001 period. DMC also received a loan during the POR, but no interest payments were due until after the POR. As stated above, the Department has found direction of

credit by the GOK of domestic commercial banks and government-owned banks to be countervailable through 2001. DMC has not provided any new information that would warrant a change in these prior findings; therefore, we continue to find that DMC benefitted from this program which provides a countervailable subsidy of loans made by government-owned or -controlled banks through 2001. With regard to the loan received in 2004, because no interest payments were due during the POR, it is not necessary for the Department to make any finding on the direction of credit issue, as it pertains to loans made from 2002 through 2004.

#### *Won-Denominated Loans:*

DMC did not have won-denominated loans outstanding during the POR which could be used for benchmark purposes. For the won-denominated loans we used the national average of the yields on three-year corporate bonds, as reported by the BOK, as a benchmark. See "Subsidies Valuation Information" section above. To determine the subsidy amount for the POR from the fixed-rate loans received from GOK-owned or -controlled banks, we used the difference between the interest payments made during the POR on the directed loans and the benchmark interest payments, in accordance with 19 CFR 351.505(c)(2). We then summed the amounts from all of DMC's long-term fixed-rate won-denominated loans.

#### *Foreign Currency-Denominated Loans:*

DMC did not have foreign currency-denominated loans outstanding during the POR which could be used for benchmark purposes. For the foreign currency-denominated loans we used the lending rates as reported by the IMF's *International Financial Statistics Yearbook*. See "Subsidies Valuation Information" section above. To determine the subsidy amount for the POR from these loans, we used the difference between the interest payments that DMC made and the benchmark interest payments, in accordance with 19 CFR 351.505(c)(2). As the interest payments were denominated in foreign currencies, we multiplied the subsidy amount by the exchange rate to establish the subsidy amount in terms of Korean won.

To calculate the total subsidy amount for all directed credit, we added the subsidy amount related to foreign currency loans in Korean won to the subsidy amount related to won-denominated loans. We then divided the total subsidy amount by DMC's total

f.o.b. sales value during the POR, as this program is not tied to exports or a particular product. On this basis, we preliminarily determine the countervailable subsidy to be 0.02 percent *ad valorem* for DMC.

#### II. Program Preliminarily Determined Not to Confer a Benefit

##### *A. Reserve Fund for Research and Manpower Development Fund under Article 8 of TERCL (RSTA Article 9)*

On December 28, 1998, the Tax Reduction and Exemption Control Act (TERCL) was replaced by the Restriction of Special Taxation Act (RSTA). Pursuant to this change in law, TERCL Article 8 is now identified as RSTA Article 9. Apart from the name change, the operation of RSTA Article 9 is the same as the previous TERCL Article 8 and its Enforcement Decree.

This program allows a company operating in manufacturing or mining, or in a business prescribed by the Presidential Decree, to appropriate reserve funds to cover expenses related to the development or innovation of technology. These reserve funds are included in the company's losses and reduce the amount of taxes paid by the company. Under this program, capital goods and capital intensive companies can establish a reserve of five percent of total revenue, while companies in all other industries are only allowed to establish a three percent reserve.

In *CTL Plate*, 64 FR at 73181, we determined that this program is specific because the capital goods industry is allowed to claim a larger tax reserve under this program than all other manufacturers. We also determined that this program provides a financial contribution within the meaning of section 771(5)(D)(i) of the Act in the form of a loan. Companies in the capital goods industry, which includes steel manufacturers, are provided a benefit by this program to the extent they enjoy differential tax savings when they contribute more than three percent to the reserve fund. See *CTL Plate*, 64 FR at 73181. In *Cold-Rolled*, we continued to find the program countervailable, but found that the company under review did not contribute more than three percent to the reserve fund and, therefore, did not receive a benefit. See *Cold-Rolled Decision Memorandum* at "Programs Determined to be Not Used" section. No new information, or evidence of changed circumstances has been presented in this review to warrant reconsideration of the countervailability of this program. DMC did use this program, but record evidence indicates that DMC did not contribute to the reserve fund in excess of three percent

during the POR. Therefore, we continue to find this program to be countervailable, but as DMC did not enjoy any differential tax savings as a result, we do not find a benefit.

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

##### *A. Investment Tax Credits under RSTA Articles 11, 24, 25 and TERCL Articles 24 and 71*

##### *B. Reserve for Export Loss under Article 16 of TERCL*

##### *C. Reserve for Overseas Market Development under Article 17 of TERCL*

##### *D. Asset Revaluation under Article 56(2) of TERCL*

##### *E. Equipment Investment to Promote Worker's Welfare under Article 88 of TERCL*

##### *F. Special Cases of Tax for Balanced Development Among Areas under Articles 41-45 of TERCL*

##### *G. Requested Loan Adjustment Program*

##### *H. Emergency Load Reduction Program*

##### *I. Export Industry Facility Loan*

##### *J. Special Facility Loans*

##### *K. Energy Saving Facility Program*

##### *L. Research and Development Grants*

##### *M. Local Tax Exemption on Land Outside of Metropolitan Area*

##### *N. Short-Term Export Financing*

##### *O. Exemption of VAT on Imports of Anthracite Coal*

##### *P. Excessive Duty Drawback*

##### *Q. Special Depreciation of Assets on Foreign Exchange Earnings*

##### *R. Export Insurance Rates Provided by the Korean Export Insurance Corporation*

##### *S. Loans from the National Agricultural Cooperation Federation*

##### *T. Tax Incentives for Highly-Advanced Technology Businesses under the Foreign Investment and Foreign Capital Inducement Act*

#### III. Programs Preliminarily Determined To Be Not Countervailable

##### *A. Electricity Discounts under the Direct Load Interruption Program (DLI)<sup>5</sup>*

##### *B. Tax Credit for Temporary Investments under Article 27 of TERCL (RSTA Article 26)*

Article 26 of TERCL was replaced by Article 27 of RSTA in 1998. This article authorizes a tax credit equaling a maximum of ten percent of the amount a domestic company temporarily invests in eligible machinery and equipment. In

<sup>5</sup> See Notice of Preliminary Results of Countervailing Duty Administrative Review: Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea, 71 FR 11397, 11401 (March 7, 2006); see also 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).

the 1997 investigation for this case, the Department found this program to constitute an import substitution subsidy, as the program was contingent upon the use of domestic goods over imported goods. *See Stainless Steel Sheet and Strip*, 64 FR at 30646. Since the 1997 investigation, the Department has found that the import substitution advantage under this program was abolished in 1996 under the TERCL. *See Final Affirmative Countervailing Duty Determination: Dynamic Random Access Memory Semiconductors from the Republic of Korea*, 68 FR 37122 (June 23, 2003) (*DRAMS*), and accompanying Issues and Decision Memorandum at Page 29 and at Comments 25 and 26. In *DRAMS*, the Department found that the GOK no longer provides a favorable tax treatment for domestic goods over imported goods. *Id.* Therefore, we preliminarily determine this program to be not countervailable.

#### C. Tax Credit for Improving Enterprise's Bill System under Article 7-2 of RSTA

During the POR, DMC applied for a tax credit under Article 7-2 of RSTA. The GOK states that the program permits any company that uses a modern corporate billing/promissory note system to make payments for its purchases from small or medium enterprises to claim a tax credit on its income taxes. The GOK provided the Department with the language of the regulation, which allows for three possible methods of payment: (a) issuing a bill of exchange or settling a request for collection of sale proceeds, (b) using an exclusive-use card for business purchase, or (c) using a loan system against security of credit sales claims. The tax credit is calculated as 0.3 percent of the total amount paid pursuant to these methods described, but not to exceed 10 percent of a company's corporate income tax amount.

In conducting the Department's investigation of this tax credit program, the Department must determine whether the program is specific within the meaning of section 771(5A) of the Act. We preliminarily determine that the tax credit under Article 7-2 of RSTA is not *de jure* specific within the meaning of sections 771(5A)(D)(i) and (ii) of the Act, because (1) it is not based on exportation, (2) it is not contingent on the use of domestic goods over imported goods, and (3) the legislation and/or regulations do not expressly limit access to the subsidy to an enterprise or industry, or groups thereof, as a matter of law.

Where there are reasons to believe that a subsidy may be specific as a matter of fact, the Department must then examine the program under section 771(5A)(D)(iii) of the Act. If the Department finds that one of the following factors exist, then the program is *de facto* specific.

(I) The actual recipients of the subsidy, whether considered on an enterprise or industry basis, are limited in number.

(II) An enterprise or industry is a predominant user of the subsidy.

(III) An enterprise or industry receives a disproportionately large amount of the subsidy.

(IV) The manner in which the authority providing the subsidy has exercised discretion in the decision to grant the subsidy indicates that an enterprise or industry is favored over others.

Pursuant to section 771(5A)(D)(iii)(I) of the Act, the Department preliminarily finds that under the tax credit under Article 7-2 of RSTA, the actual recipients of the subsidy are not limited in number. *See* the GOK's December 21, 2005, submission at Exhibit B-1.

Sections 771(5A)(D)(iii)(II) and (III) of the Act direct the Department to examine whether an enterprise or an industry is a predominant user of the subsidy or receives a disproportionately large amount of the subsidy. There is nothing on the record to indicate that the steel industry received a greater monetary benefit from the program than did other participants or that the steel industry was a dominant user or received disproportionate benefits. Rather, the GOK states that the tax credit is widely available and can be used by any Korean company, regardless of industry or location, by claiming the tax credit on the tax return. *See* the GOK's December 21, 2005, submission at page 12.

Therefore, we preliminarily determine that the information on the record does not support a finding that the percentage of the benefits DMC or the steel industry received were disproportionately high or that the company or the industry was a dominant user. Accordingly, we preliminarily find that the tax credit under Article 7-2 of RSTA is not *de facto* specific and is, therefore, not countervailable.

#### 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, 2004, through December 31,

2004, we preliminarily determine the net subsidy for DMC to be 0.02 percent *ad valorem*, 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 intends to instruct U.S. Customs and Border Protection (CBP), within 15 days of publication of the final results, to liquidate shipments of certain stainless steel sheet and strip in coils from DMC, entered, or withdrawn from warehouse, for consumption from January 1, 2004, through December 31, 2004, without regard to countervailing duties. Also, the Department intends to instruct CBP to require a new cash deposit rate for estimated countervailing duties of 0.00 percent for all shipments of certain stainless steel sheet and strip in coils from DMC, entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review. The Department will issue appropriate instructions directly to CBP within 15 days of the final results of this 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 companies covered by this order, but not examined in this review, are those established in the most recently completed administrative proceeding for each company. 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, 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 publication of these preliminary results. Rebuttal briefs, which are 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 arguments 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.

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 this administrative review, 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 and 19 CFR 351.221(b)(4).

Dated: August 21, 2006.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E6-14230 Filed 8-25-06; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

[I.D. 082306B]

#### North Pacific Fishery Management Council; Public Meetings

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

**ACTION:** Notice of public meetings.

**SUMMARY:** The North Pacific Fishery Management Council's Gulf of Alaska (GOA) and Bering Sea/Aleutian Islands (BS/AI) groundfish plan teams will meet in Seattle, WA.

**DATES:** The meetings will be held on September 19–22, 2006. The meetings will begin at 1 p.m. on Tuesday, September 19, and continue through Friday September 22. The meetings will end when business for the day is completed, each day.

**ADDRESSES:** The meetings will be held at the Alaska Fisheries Science Center, 7600 Sand Point Way N.E., Building 4, Observer Training Room (BS/AI Plan Team) and Traynor Room (GOA Plan Team), Seattle, WA.

*Council address:* North Pacific Fishery Management Council, 605 W. 4th Ave., Suite 306, Anchorage, AK 99501–2252.

**FOR FURTHER INFORMATION CONTACT:** Jane DiCosimo or Diana Stram, North Pacific Fishery Management Council; telephone: (907) 271–2809.

#### SUPPLEMENTARY INFORMATION:

##### Agenda

Principal business is to prepare and review the draft Economic Report, the draft Ecosystems Consideration Chapter, draft stock assessments for some target-categories, and recommend preliminary groundfish catch specifications for 2007/08.

Although non-emergency issues not contained in this agenda may come before this group for discussion, those issues may not be the subject of formal action during this meeting. Action will be restricted to those issues specifically identified in this notice and any issues arising after publication of this notice that require emergency action under section 305(c) of the Magnuson-Stevens Fishery Conservation and Management Act, provided the public has been notified of the Council's intent to take final action to address the emergency.

##### Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Gail Bendixen, (907) 271–2809, at least 5 working days prior to the meeting date.

Dated: August 23, 2006.

**Tracey L. Thompson,**

*Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.*

[FR Doc. E6-14227 Filed 8-25-06; 8:45 am]

**BILLING CODE 3510-22-S**

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

[I.D. 082306C]

#### Pacific Fishery Management Council; Public Meeting/Workshop

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

**ACTION:** Notice of a public meeting.

**SUMMARY:** NOAA Fisheries and The Pacific Fishery Management Council (Council) will hold a workshop to discuss the comparability of pre-recruit data collected from two existing west coast surveys and to evaluate methods for utilizing those data in groundfish assessments.

**DATES:** The Pre-recruit Survey workshop will be held Wednesday, September 13, 2006 through Friday, September 15, 2006. The workshop will start at 8:30 a.m. each day and end at 5 p.m. on Wednesday and Thursday and 12 noon on Friday, or as necessary to complete business.

**ADDRESSES:** The Pre-recruit Survey workshop will be held at the Southwest Fisheries Science Center, 110 Shaffer Road, Santa Cruz, CA 95060.

*Council address:* Pacific Fishery Management Council, 7700 NE Ambassador Place, Suite 101, Portland, OR 97220–1384.

**FOR FURTHER INFORMATION CONTACT:** Ms. Stacey Miller, Northwest Fisheries Science Center (NWFSC); telephone: (206) 860–3480; or Mr. John DeVore, Pacific Fishery Management Council; telephone: (503) 820–2280.

**SUPPLEMENTARY INFORMATION:** The workshop discussion will be guided by the following four questions: (1) Can data from the R/V David Starr Jordan and the F/V Excalibur be combined into a coast-wide index for young-of-the-year Pacific whiting and rockfish; (2) Is a power transformation an acceptable way of modeling these processes and, if not, what other analytical techniques are more appropriate; (3) What processes affect the relationship between a survey index of pre-recruit abundance and model estimates of recruitment; and (4) How influential are pre-recruit survey data on historical estimated time-series of stock abundance and projections into the near term and how can the informational value of a pre-recruit survey to a stock assessment be evaluated?

All participants are encouraged to pre-register for the workshop by contacting Ms. Stacey Miller, Northwest Fisheries Science Center (NWFSC) by phone at (206) 860–3480 or by email at [Stacey.Miller@noaa.gov](mailto:Stacey.Miller@noaa.gov).

Although non-emergency issues not contained in the meeting agenda may come before the workshop participants for discussion, those issues may not be the subject of formal workshop action during this meeting. Workshop action will be restricted to those issues specifically listed in this notice and any issues arising after publication of this