

application by the U.S. Customs Service.

Gerald A. Zerdy,

Program Manager, Statutory Import Programs Staff.

[FR Doc. 03-30901 Filed 12-12-03; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-357-813]

#### Honey From Argentina: Preliminary Results of Countervailing Duty Administrative Review

**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 order on honey from Argentina for the period January 1, 2001 through December 31, 2002. If the final results remain the same as the preliminary results of this review, we will instruct the U.S. Customs and Border Protection (CBP) to assess countervailing duties as detailed in the "Preliminary Results of Administrative Review" section of this notice. Interested parties are invited to comment on the preliminary results of this administrative review. (See the "Public Comment" section of this notice).

**EFFECTIVE DATE:** December 15, 2003.

**FOR FURTHER INFORMATION CONTACT:** Thomas Gilgunn or Addilyn Chams-Eddine, Office of AD/CVD Enforcement VII, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482-4236 or (202) 482-0648, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On December 10, 2001, the Department published in the **Federal Register** the countervailing duty order on honey from Argentina. See *Notice of Countervailing Duty Order: Honey From Argentina*, 66 FR 63673. In response to requests for an administrative review of the countervailing duty (CVD) order on honey from Argentina from the Government of Argentina (GOA) and the American Honey Producers Association (petitioners), the Department initiated an administrative review for the period January 1, 2001 through December 31,

2001. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 68 FR 3009 (January 22, 2003) (*Initiation Notice*).

In its request for review, the GOA requested "that the period of review be extended to include calendar year 2002." In the *Initiation Notice*, the Department stated that it was considering the GOA's request. On January 24, 2002, the Department solicited comments from the parties regarding the GOA's request. On February 3, 2003, the GOA submitted comments in support of its request to extend the POR to include calendar year 2002. On February 6, 2003, the petitioners submitted comments arguing against the GOA's request for extension. On February 10, 2003, the GOA submitted additional comments. In addition, on February 10, 2003, the Department offered a final opportunity for both parties to submit final comments on this issue by February 14, 2003. (See memorandum to file from Barbara E. Tillman regarding "Countervailing Duty Order on Honey from Argentina; Telephone Calls to Petitioner and Respondent Concerning Comments on the Period of Review Issue in the first Administrative Review," dated February 13, 2003.) No additional comments were received from either party.

Based on our analysis of the GOA's request and of the comments received on this issue from both the petitioners and the GOA, the Department expanded the POR to include 2002. As such, the instant review covers calendar years, January 1, 2001 through December 31, 2001 and January 1, 2002 through December 31, 2002.<sup>1</sup> (See memorandum from Thomas Gilgunn to Joseph A. Spetrini "Honey from Argentina: Expansion of the Period of Review in the First Administrative Review of the Countervailing Duty Order," dated February 21, 2003.)

On February 21, 2003, we issued a questionnaire to the GOA. On April 14, 2003, the GOA submitted its questionnaire response. On June 10, 2003 and August 15, 2003, the Department issued supplemental questionnaires to the GOA. The GOA submitted responses to those

<sup>1</sup> For the purposes of these preliminary results, we have analyzed data for the period January 1, 2001 through December 31, 2001 to determine the countervailable subsidy rate for exports of subject merchandise made during the periods in 2001 when liquidation of entries was suspended. In addition, we have analyzed data for the period January 1, 2002 through December 31, 2002 to determine the countervailable subsidy rate for exports during that period and to establish the cash deposit rate for subsequent exports of subject merchandise.

supplemental questionnaires on July 14, 2003 and September 22, 2003, respectively. The GOA also submitted additional information regarding certain provincial programs on August 20, 2003 and September 11, 2003. On July 23, 2003, we extended the period for the completion of the preliminary results pursuant to section 751(a)(2)(B)(iv) of the Tariff Act of 1930, as amended (the Act). See *Notice of Extension of Time Limit for the Preliminary Results of Countervailing Duty Administrative Review: Honey from Argentina*, 68 FR 43492 (July 23, 2003).

#### Verification

As provided in section 782(i) of the Act, the Department conducted on-site verification of the GOA's questionnaire responses from October 14 through October 21, 2003. The Department's findings at verification are detailed in two reports: "First Administrative Review of Honey from Argentina: Verification Report for the Argentine Internal Tax Reimbursement/ Rebate Program (Reintegro); Honey Production, and Export Data," dated November 13, 2003 (*Reintegro Verification Report*); and "First Administrative Review of Honey from Argentina: Verification Report for the Government of Argentina," dated November 20, 2003 (*Honey Verification Report*). Public versions of both reports are on file in the Central Records Unit (CRU) located in room B-099 of the Main Commerce Building.

#### Scope of the Order

The merchandise covered by this order is artificial honey containing more than 50 percent natural honeys by weight, preparations of natural honey containing more than 50 percent natural honeys by weight, and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, combs, cut comb, or chunk form, and whether packaged for retail or in bulk form.

The merchandise subject to this order is currently classifiable under subheadings 0409.00.00, 1702.90, and 2106.90.99 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and Bureau of Customs and Border Protection (CBP) purposes, the Department's written description of the merchandise covered by this order is dispositive.

#### Subsidies Valuation Information

##### A. Aggregation

Under section 777A(e)(2)(B) of the Act, the Department may calculate a

single country-wide rate applicable to all exporters if the Department determines it is not practicable to determine individual countervailable subsidy rates due to the large number of exporters or producers involved in the investigation or review.

In the countervailing duty investigation of honey from Argentina, the Department solicited information from the GOA on an aggregate or industry-wide basis in accordance with section 777A(e)(2)(B) of the Act, rather than from individual producers and exporters, due to the large number of producers and exporters of honey in Argentina. *See Memorandum to the File, Countervailing Duty Investigation of Honey from Argentina: Conducting the Investigation on an Aggregate Basis*, dated November 22, 2000. As noted above, in accordance with 19 CFR § 351.213(b)(2), both the GOA and the petitioners requested an administrative review of this countervailing duty order. (*See Initiation Notice.*) No individual exporters requested the review pursuant to 19 CFR § 351.213(b). Accordingly, the Department has conducted this review of the order on an aggregate basis and will calculate a single country-wide subsidy rate for 2001 and 2002 to be applied to all exports of the subject merchandise. *See Section 777A(e)(2)(B) of the Act.*

#### Allocation Period

In the underlying investigation, we identified the allocation period in accordance with 19 CFR § 351.524(d)(2) which directs us to rely on the average useful life (AUL) of renewable physical assets for the industry concerned, as listed in the Internal Revenue Service's (IRS) 1977 Class Life Asset Depreciation Range System, as updated by the Department of Treasury. No parties provided information or argument about the AUL issue. Therefore, we will continue to use the 10-year AUL as reported in the IRS tables to allocate any non-recurring subsidies under review.

#### Benchmark Interest Rates and Discount Rates

In selecting benchmark interest rates for use in calculating the benefits conferred by the various loan programs under review, we would normally look for the interest rate a borrower had received on a comparable commercial loan. *See* 19 CFR 351.505(a)(3)(i). However, since we are conducting this review on the aggregate level, and we are not examining individual companies, we have sought information on the national average interest rates for comparable commercial loans. *See* 19 CFR 351.505(a)(3)(ii). The GOA

provided information compiled by the Central Bank of Argentina showing the national average interest rates for various types of financing: long-term, fixed-rate, denominated in Argentine Peso and in foreign currency. For each loan program found to be countervailable, we have selected a benchmark from the information provided depending upon the terms and characteristics of the particular loan program.

We are directed by 19 CFR 351.524(d)(3) regarding the selection of a discount rate for the purposes of allocating non-recurring subsidies over time. Since we are conducting this investigation on an aggregate basis under section 777A(e)(2)(B) of the Act, we are using, as the discount rate, the average cost of long-term fixed-rate loans in Argentina as reported by the GOA. *See* 19 CFR 351.524(d)(3)(i)(B).

#### Denominator Issues

The GOA has provided information for 2001 and 2002 relating to the total volume of honey produced in Argentina, the volume and value in U.S. Dollars, of total honey exports, and the volume and value in U.S. Dollars, of exports of honey to the United States. The GOA has also broken down, where possible, the export volumes and values according to the province in which the honey was produced. However, the GOA was unable to provide information relating to total domestic sales of honey for 2001 and 2002. As a proxy for total sales information, the GOA provided data showing the volume of honey production by province during 2001 and 2002. However, the GOA stated that it could not provide the value of production for 2001 and 2002. Consistent with the investigation, we calculated a proxy for the value of the total production reported by the GOA using the volume and value data provided for exports to the United States. *See Notice of Final Affirmative Countervailing Duty Determination: Honey from Argentina*, 66 FR 50613 (October 4, 2001) (*Honey Final Determination*), and the accompanying Issues and Decision Memorandum (*Honey Issues Memo*), at "Denominators." We divided the value of Argentine honey exports to the United States by the volume of those exports to calculate a per kilogram value in U.S. Dollars. We then multiplied this per kilogram value by the provincial production data provided to arrive at the value of total Argentine honey production during 2001 and 2002. We have used this total production value as our denominator when calculating the subsidy from domestic subsidy

programs provided by the GOA, and we have used the relevant provincial production value as our denominator when calculating the subsidy from domestic subsidies provided at the provincial level. We have used the total or provincial export values, as appropriate, as our denominators when calculating the subsidy from programs we have determined to be export subsidies.

To determine the final subsidy from each provincial program that is attributable to exports of honey to the United States, we applied the following methodologies: (1) For provinces for which we have reported data on the volume and value of honey production that was exported, we weight-averaged the subsidies from each provincial program by multiplying each subsidy by the province's share of total honey exports, by value, to the United States during the POR; and (2) for provincial domestic subsidy programs in provinces that do not have reported exports of honey to the United States during the POR, but do have reported honey production during the POR, and for which the GOA did not specifically report that the province had no exports to the United States, we divided the benefits by the value of total value of Argentine honey production during the POR.

As noted above, Argentine honey production and exports have been valued in U.S. Dollars. As detailed below, certain Argentine Peso-denominated loan programs provided benefits to Argentine honey producers and exporters in Argentine Pesos. In such instances, we converted those Argentine Peso-denominated benefits into U.S. Dollars using the official exchange rate data provided by the GOA.

#### Analysis of Programs

##### I. Programs Preliminarily Determined to be Countervailable

###### A. Federal Programs

###### 1. Argentine Internal Tax Reimbursement/Rebate Program (Reintegro)

The Reintegro program entitles Argentine exporters to a rebate of many internal domestic taxes levied during the production, distribution, and sales process on many exported products. The Reintegro program provides a cumulative stage tax rebate paid upon export, calculated as a percentage of the "free on board" (FOB) invoice price of an exported product.

In the underlying investigation, the Department found the Reintegro to be

countervailable. (See *Honey Issues Memo*, at "Argentine Internal Tax Reimbursement/Rebate Program (Reintegro))."

In its April 14, 2003, questionnaire response, the GOA stated that it did not "intend to provide a full defense of the reintegro program in this review." Rather, the GOA stated that Resolution 220/2001, enacted on June 18, 2001, reduced the Reintegro rate for all products by 7 percent thereby lowering the reintegro on bulk honey to zero and for processed honey to 5.4 percent. The GOA also maintains that Resolution 470/2001, enacted on September 17, 2001, specifically set the Reintegro rate for processed honey to zero. The GOA further noted that the Reintegro level for both bulk and processed honey "has remained at zero since this time, including the remainder of the 2001 and the entire 2002 POR."

Since the GOA did not provide new information regarding the countervailability of the Reintegro, we continue to find the entire amount of the Reintegro for bulk and processed honey to confer a countervailable benefit. See 19 CFR § 351.518(a)(4). However, we did verify that in June 2001, the Reintegro rate applicable to bulk honey was set to zero while the rate for processed honey was decreased to 5 percent. We further verified that the Reintegro rate for processed honey was then set to zero in September 2001. As such, for the purposes of establishing the countervailable subsidy rate for 2001, we weight-averaged the Reintegro rates in effect during that year (5.4 percent for bulk honey and 12 percent for processed honey through June 18, 2001 and 5 percent for processed honey from June 18, 2001 through September 16, 2001) by the FOB value of exports of bulk and processed honey to the United States during these distinct periods in 2001. Therefore, the countervailable subsidy rate for 2001 exports to the United States applicable to this program is 5.352 percent *ad valorem*.

We verified the Reintegro rate was zero throughout 2002 for both bulk and processed honey. Thus, both the countervailable subsidy rate for 2002 and the cash deposit rate applicable to this program are zero.

## 2. Factor de Convergencia (Convergence Factor)

After the completion of verifications in both the instant review and the concurrent antidumping duty administrative review, we learned that on the record of the administrative review of the antidumping duty order, there was verified information relating

to a GOA program called the *factor de convergencia* (Convergence Factor). Under this program, as described in public information provided by several of the respondents in the antidumping duty administrative review, exporters could claim a payment from the GOA for a percentage of the FOB value of the exports. According to this public information on the record, the rate of payment was determined according to a formula accounting for the exchange rate between the U.S. Dollar and the Euro. See memorandum to the file placing public information regarding the Convergence Factor from the antidumping review on the record of this review dated December 8, 2003 (*CF Public Information Memo*).

Our review of the record in the countervailing duty administrative review shows that the GOA did not report the existence of this program. The public information in the antidumping review identified a resolution which addressed the operational interaction between the Reintegro and the Convergence Factor. Resolution 470/2001, dated September 17, 2001, had been submitted, in Spanish, as Exhibit 8 to the GOA's April 14, 2003 countervailing duty questionnaire response. Resolution 470/2001 consists of numerous articles: one directly addressing the Reintegro rates for honey; another addressing the interaction between Reintegro and the Convergence Factor. However, the only article for which a translation was provided and discussed in the questionnaire response was the article pertaining directly to the Reintegro rates for honey.

In addition, the GOA provided no information about this program in response either to questions regarding changes in Reintegro or to questions regarding "any other forms of assistance to producers and exporters of subject merchandise." See the GOA's April 14, 2003 questionnaire response. Furthermore, in response to questions at verification regarding whether the GOA implemented any additional forms of assistance for exporters in lieu of Reintegro payments at the time of or since the reduction of the Reintegro rates, officials of the Production Ministry indicated that the GOA had implemented no such measures. (See *Reintegro Verification Report*.)

On November 14, 2003, we requested that the GOA provide an explanation of why it did not report the Convergence Factor to the Department either in the questionnaire responses or at verification. On November 20, 2003, the GOA stated that the Convergence Factor was not a government subsidy program

but an exchange rate mechanism that applied to all foreign trade, both imports and exports. The GOA cited earlier cases in which the Department made clear that exchange rate policies that apply equally to imports and exports are not countervailable (citing to *Certain Electrical Conductor Aluminum Redraw Rod from Venezuela; Final Affirmative Countervailing Duty Determination*, 53 FR 24763 (June 30, 1988); *Carbon Steel Wire Rod from Czechoslovakia; Preliminary Negative Countervailing Duty Determination*, 49 FR 6773 (February 23, 1984); and *Carbon Steel Wire Rod from Poland; Preliminary Negative Countervailing Duty Determination*, 49 FR 6768 (February 23, 1984)). Moreover, the GOA maintained that since the Convergence Factor had nothing to do with the concept of rebating indirect taxes, the Convergence Factor cannot reasonably be understood to be a replacement for the Reintegro program. As such, given that the Convergence Factor operated as an exchange rate mechanism for imports and exports wholly unrelated to the rebate of indirect taxes, the GOA maintained that it did not report the Convergence Factor to the Department because it had no reason to believe that the Department might consider the Convergence Factor to be a subsidy program much less a replacement of the Reintegro program.

In addition to stating that the Convergence Factor should not be considered a subsidy program, the GOA stated that it was willing to answer any additional questions that the Department had regarding the operation of the Convergence Factor. The GOA argued that it would rather the Department request specific information regarding the Convergence Factor than have the Department draw any adverse inferences from a perceived lack of response. The GOA contended that the Department's general questions seeking information on new subsidy programs or replacement programs for the reintegro could not reasonably have been interpreted by the GOA to be seeking information on an exchange rate mechanism like the Convergence Factor. Moreover, the GOA argued that it would be unreasonable for the Department to draw any adverse inferences from the record with regard to the Convergence Factor without providing the GOA with an opportunity to respond to specific questions regarding the Convergence Factor.

On December 2, 2003, the petitioners submitted comments and information regarding the GOA's November 20, 2003 letter. On December 8, 2003, the GOA submitted additional comments

regarding the petitioner's December 2, 2003 letter. These comments and information were submitted too late for consideration in these preliminary results.

Sections 776(a)(2)(A) and 776(a)(2)(B) of the Act provide for the use of facts otherwise available when an interested party withholds information that has been requested by the Department, or when an interested party fails to provide the information requested in a timely manner and in the form required.

The GOA provided no information about the Convergence Factor in response either to questions regarding changes in the Reintegro or questions regarding any other forms of assistance provided to producers and exporters of subject merchandise. (See the GOA's April 14, 2003 response to the Department's initial questionnaire.) Moreover, the record also shows that when questioned at verification regarding whether the GOA implemented any additional forms of assistance for exporters in lieu of Reintegro payments at the time of or since the reduction of the Reintegro rates, GOA officials stated that there were no such measures. (See the *Reintegro Verification Report*.) Therefore, because the GOA failed to provide information on the Convergence Factor, the Department must resort to facts otherwise available.

Section 776(b) of the Act provides that, in selecting from among the facts available, the Department may use an inference that is adverse to the interests of a respondent, if it determines that a party has failed to cooperate to the best of its ability.

The GOA's stated position for not providing information on the Convergence Factor appears to be the following: (1) The Convergence Factor was an exchange rate mechanism that was not an additional subsidy which provided assistance to exporters; (2) exchange rate mechanisms have nothing to do with the Reintegro; and (3) the Department has found exchange rate policies which apply to imports and exports to be not countervailable.

We disagree with the GOA's contention that it could not reasonably be expected to provide information regarding the Convergence Factor in response to the Department's question regarding any other forms of assistance provided to producers and exporters of subject merchandise. Clearly, the Convergence Factor is a form of assistance that was provided to exporters of the subject merchandise during the POR. (See *CF Public Information Memo*.) As such, it is reasonable to conclude that the GOA

was obligated to provide information regarding the Convergence Factor in response to questions regarding other forms of assistance provided to exporters of the subject merchandise. Moreover, it is reasonable to conclude that the GOA was aware of its obligation to provide information regarding the Convergence Factor in response to questions regarding other forms of assistance provided to exporters of the subject merchandise.

We note that, in response to the Department's question regarding any other forms of assistance provided to producers and exporters of subject merchandise, the GOA did provide information regarding a provincial loan program called "Convenio Programa MIPyMES Agropecuarios Bonaerenses 2000" which the GOA maintained was not countervailable. (See "Program Preliminarily Determined to be Not Countervailable," below.) Since the GOA did report information on one program which it believed to be not countervailable, the Department can reasonably conclude that the GOA was aware of its obligation to report programs like the Convergence Factor even though it may believe that the Department should find a program such as the Convergence Factor to be not countervailable.

We also disagree with the GOA's contention that it could not reasonably be expected to provide information regarding the Convergence Factor in response to the Department's questions regarding possible replacements to the Reintegro program. In response to questions regarding the Reintegro program, the GOA provided a Spanish version of Resolution 470/2001 with a translation of Article 6 which set the reintegro rate for processed honey to zero. In response to the Department's November 14, 2003 letter which mentioned Article 2 of Resolution 470/2001, the GOA stated that Article 2 provides that "companies accruing a credit from the difference in exchange rates would receive less of a reintegro rebate." Based even on this partial translation of Resolution 470/2001, it is clear that the operation of the Convergence Factor and the Reintegro were interrelated.

Moreover, a more complete translation of Article 2 shows that in cases where the Convergence Factor is larger than the corresponding Reintegro, only the Convergence Factor should be paid in lieu of the Reintegro. (See *Memorandum placing translation of Resolution 470/2001, Article 2 on the record of this review*, dated December 8, 2003.) As such, the record shows that both the Convergence Factor and the

Reintegro program provided credits to exporters and the amount of credits provided by the Convergence Factor and the Reintegro program were limited by Article 2 of Resolution 470/2001. Since the GOA enacted Resolution 470/2001, and Article 2 of said resolution governed the interrelationship of the Convergence Factor and the Reintegro, it is reasonable to conclude that the GOA was obligated to provide information regarding the Convergence Factor in response to questions regarding possible replacements to the Reintegro.

Finally, we disagree with the GOA's contention that the existence of the cases it cited shows that the Department will not find a multiple exchange rate countervailable. There are several administrative cases where the Department has found multiple exchange rates countervailable. (See, e.g., *Final Affirmative Countervailing Duty Determination; Certain Electrical Conductor Aluminum Redraw Rod From Venezuela*, 53 FR 24763 (June 30, 1988).) The Department's decisions regarding multiple exchange rates like the Convergence Factor are fact specific. Since the GOA failed to provide information on the Convergence Factor, we must resort to facts otherwise available to make our decision regarding the countervailability of the Convergence Factor.

The GOA was aware of its obligation to report information regarding the Convergence Factor and had the ability to report its own program. Therefore, the Department preliminarily concludes that the GOA failed to cooperate to the best of its ability. Accordingly, in applying the facts otherwise available, the Department finds that an adverse inference is warranted, pursuant to section 776(b) of the Act.

An analysis of the public information from the companion antidumping duty review shows the following. On June 19, 2001, GOA Decree 803/2001 modified the relationship between the Argentine Peso and the U.S. Dollar, as applied to import/export transactions. The Central Bank established a "factor de convergencia" or convergence factor (CF) for import/export transactions. The CF did not affect the convertibility plan for other types of U.S. Dollar transactions. The CF mechanism acted as an export promotion instrument. Concurrent with implementation of the CF, the GOA reduced the Reintegro for all products by seven percent. GOA Decree 191/2002 apparently suspended the CF on January 29, 2002. (See *CF Public Information Memo*.)

Public information from the companion antidumping duty review indicates the GOA calculated the CF for

exporters on a daily basis using a formula accounting for the exchange rate between the U.S. Dollar and the Euro (*i.e.*, exporters exchanged their U.S. Dollars into Argentine Pesos at a rate of one Peso equals 1 U.S. Dollar + (1 U.S. Dollar + 1 Euro)/2). (*See CF Public Information Memo.*) As such, Argentine exporters ultimately converted their U.S. Dollar payments to Argentine Pesos at a rate more advantageous than the one-to-one parity established by the Convertibility Law. In making CF claims, exporters apparently applied the officially published CF from the date of their export declaration to the FOB value of the goods exported. The GOA then paid the CF proceeds directly to the exporter.

The CF program provides a payment to exporters, calculated as a percentage of the "free on board" (FOB) invoice price of an exported product. These CF payments are issued by the GOA directly to exporters and therefore, constitute a financial contribution to recipients under section 771(5)(D)(I) of the Act. The CF program also provides a benefit because the exchange rate established through this program allowed exporters to convert U.S. Dollars to Argentine Pesos at a rate more advantageous than the official one-to-one exchange rate mandated by the GOA's Convertibility Law. Further, since receipt of CF payments is contingent upon export performance, CF payments are specific under section 771(5A)(D) of the Act.

In order to calculate the countervailable subsidy for the CF program applicable to honey exports from June 19, 2001 through December 31, 2001, we obtained the official daily CF data through a search of GOA websites, and we calculated an average CF for the period.<sup>2</sup> We then multiplied that average CF by the FOB value of honey exports to the United States for the same period and divided that total by the total FOB value of honey exports to the United States in 2001. As such, the countervailable subsidy rate for the CF program applicable to 2001 is 0.060 percent *ad valorem*.

For the purposes of establishing the countervailable subsidy rate for 2002 and the cash deposit rate of estimated countervailing duties, we obtained the official daily CF data for the period January 1, 2002 through January 29, 2002 (the date on which Resolution 191/2002 apparently suspended the Convergence Factor) and calculated an average CF for that period. We then

applied that average CF to the total FOB value of honey exports to the United States for the same period. We estimated the total FOB value of honey exports to the United States for the period January 1, 2002 through January 29, 2002 by dividing the total FOB value of honey exports to the United States in 2002 by 365 days and multiplying the daily FOB value by 29 days. We then divided the total CF accrued during 2002 by the total FOB value of honey exports to the United States in 2002. Therefore, we preliminarily determine that the countervailable subsidy rate applicable to exports in 2002 and the rate of cash deposit of estimated countervailing duties applicable to this program is 0.477 percent *ad valorem*.

Section 776(c) of the Act provides that when the Department relies on the facts otherwise available and relies on "secondary information," the Department shall, to the extent practicable, corroborate that information from independent sources reasonably at the Department's disposal. The *Statement of Administrative Action*, H.R. Doc. 103-316 (SAA), states that "corroborate" means to determine that the information used has probative value. *See* SAA at 870. To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information to be used.

In the instant review, we have relied on verified public information from the companion antidumping duty review to calculate countervailable subsidy and cash deposit rate applicable to the CF. Since this public information obtained from the companion antidumping duty proceeding was contemporaneous to the instant review and verified in the context of the companion antidumping duty review we consider it to be reliable and to have probative value. (*See CF Public Information Memo.*) We also used public information obtained from a GOA Web site: <http://www.afip.gov.ar/>. Because this is information issued by the GOA independent of this administrative review, we consider it to be reliable and to have probative value.

### 3. Regional Productive Revitalization Program

The GOA established the "Regional Productive Revitalization: National Program for the Promotion and Development of Local Productive Initiative" (Regional Productive Revitalization Program) to strengthen the economies of small and medium-sized towns in the Argentine interior. The program was established in 1995 with funds from the national treasury allocated for use by the provinces.

Although the program was administered at the national government level, its objective was to address financial emergencies and regional economic devastation in the provinces. The program discontinued granting new credits in the beginning of 1999. However, it remains operational as long as the loans granted are outstanding and continue to be serviced. The Regional Productive Revitalization Program provided credit for the acquisition of capital goods, technology, working capital, training needs, and technical assistance. During the time the program was fully operational, two Argentine Peso-denominated loans were made to honey producers. Those loans were outstanding during both 2001 and 2002. The GOA reported that under Resolution 0324, dated September 16, 2002, borrowers were permitted to refinance their loans under this program at terms which differed for companies that had remained current in their payment of interest and principal and for companies which had not remained current with their loan repayment obligations.

In the *Honey Final Determination*, we determined that the Regional Productive Revitalization Program was countervailable as a regional subsidy. *See Honey Issues Memo*, at "Regional Productive Revitalization: National Program for the Promotion and Development of Local Productive Initiative." There is no new information or evidence of changed circumstances which would warrant reconsidering this finding.

Consistent with our approach in the *Honey Final Determination*, we are treating these two loans differently for the purposes of calculating the benefit. For the first loan, we calculated the Argentine Peso-denominated benefit for the loan by multiplying the average loan balance outstanding during 2001 and 2002 by the difference between the loan interest rate charged and the benchmark interest rate. For our benchmark interest rate, we selected from the information provided by the Central Bank of Argentina, a rate for the type of loans that most closely resembled the terms of this program. *See* "Benchmark Interest Rates and Discount Rates" above.

For the second loan, in the *Honey Final Determination*, we considered that this loan had been forgiven during 1999, the period of investigation POI, and treated the amount of debt forgiven as a grant conferred in that year. *See* 19 CFR § 351.508. There is no new information or evidence of changed circumstances which would warrant treating this loan differently for purposes of these preliminary results of

<sup>2</sup> The official CF data is available from the following GOA website: [http://www.afip.gov.ar/factor/inter\\_consulta.asp](http://www.afip.gov.ar/factor/inter_consulta.asp).

review. Therefore, we continue to treat this loan as debt forgiven in 1999. To calculate the benefit, we have allocated the resulting Argentine Peso-denominated grant amount over the AUL of 10 years. See section entitled "Allocation Period" above. We have used an appropriate discount rate, as discussed in the "Benchmark Interest Rates and Discount Rates" section, above. Separately for 2001 and 2002 we summed the Argentine Peso-denominated benefit amounts attributable to each loan and converted the benefit amounts to U.S. Dollars using the official exchange rate data provided by the GOA. We then divided the U.S. Dollar-denominated benefits by the U.S. Dollar-denominated value of honey produced in Argentina during 2001 and 2002, as appropriate, to calculate a countervailable subsidy rate of 0.089 percent *ad valorem* for 2001 and 0.005 percent *ad valorem* for 2002. The cash deposit rate of estimated countervailing duties for this program is 0.005 percent *ad valorem*.

#### 4. BNA Financing for the Acquisition of Goods of Argentine Origin

The financing for the Acquisition of Goods of Argentine origin program was established by the Banco de la Nación Argentina (BNA), a bank owned by the GOA, pursuant to Annex B to the BNA Circular No. 10715/I. This line of credit is offered by BNA to companies purchasing capital equipment manufactured in Argentina (defined as having a maximum foreign component of 40 percent). Financing is provided for up to five years, in an amount equal to 80 percent of the purchase price of the equipment not to exceed US\$500,000. There was one loan under this program to a honey producer or exporter which was outstanding during 2001 and 2002.

A program that is "contingent upon the use of domestic goods over imported goods, alone, or as 1 of 2 or more conditions," is an import substitution subsidy under section 771(5A)(c) of the Act. Because this financing is available only for the purchase of Argentine origin goods, the BNA Financing for the Acquisition of Goods of Argentine Origin is specific as an import substitution subsidy under section 771(5A)(c) of the Act.

Loans under this program provide a financial contribution under section 771(5)(D) of the Act in the form of a transfer of funds. To determine whether there is a benefit, we compared the interest rate charged on the loan provided under this program to the commercial interest rate for loans that most closely resemble loans under this program. (See "Benchmark Interest

Rates and Discount Rates" above.) Based on this comparison, the amount that the recipient pays is less than the amount the recipient would have paid on a comparable commercial loan that could actually be obtained on the market. Thus, this line of credit provides a benefit under section 771(5)(E) of the Act.

The Republic of Argentina followed a currency board system under its Convertibility Law of maintaining parity between the Argentine peso and the U.S. dollar until January 2002. Thus, the exchange rate for the year 2001 was one Argentine Peso to one U.S. dollar. On January 6, 2002, Emergency Law No. 25,561 (Law 25,561) ended the one Argentine peso-one U.S. dollar relationship. In addition, Article 6, paragraph 2 of Law 25,561 and Decree 214/2002 established the mandatory restructuring of foreign currency-denominated debts<sup>3</sup> at a relationship of one U.S. Dollar-one Argentine Peso. This loan was converted from U.S. Dollars to Argentine Pesos under Law 25,567 and Decree 214/2002.

Because this is a long-term fixed-rate loan, the benefit is calculated by multiplying the average outstanding loan balance during 2001 by the difference between the interest rate charged under the program and the benchmark interest rate in accordance with 19 CFR § 351.505(c). We then divided this benefit amount by the U.S. Dollar value of total honey production in Argentina during 2001. Thus, for 2001, we preliminarily determine that the value of any countervailable benefits to honey producers or exporters under this program would have no measurable impact on the overall subsidy rate (*i.e.*, the rate is less than 0.001 percent *ad valorem*).

Because this loan was converted from U.S. Dollars to Argentine Pesos on January 29, 2002 pursuant to Law 25,567 and Decree 214/2002, we consider that there was, in effect, a new long-term fixed rate Argentine Peso-denominated loan made in 2002. We calculated the countervailable subsidy for 2002 in five steps: (1) We multiplied the average U.S. Dollar-denominated outstanding loan balance which existed from January 1, 2002 through January 28, 2002 by the difference between the interest rate for loans charged under the program and the benchmark interest rate for U.S. Dollar-denominated loans; (2) we multiplied the average Argentine Peso-denominated outstanding loan balance which existed from January 29,

2002 through December 31, 2002 by the difference between the interest rate charged under the program and the appropriate benchmark interest rate for Argentine Peso-denominated loans made during 2002; (3) we converted the 2002 Argentine Peso-denominated benefit into U.S. Dollars using the official annual average exchange rate data provided by the GOA; (4) we summed the two U.S. Dollar-denominated benefits from the two periods in 2002; and (5) we divided this U.S. Dollar-denominated amount by the U.S. Dollar value of total honey production in Argentina during 2002. We thus preliminarily find the countervailable subsidy from this program to be 0.001 percent *ad valorem* for 2002. The cash deposit rate of estimated countervailing duties is 0.001 percent *ad valorem*.

#### B. Provincial Programs

##### 1. Province of San Luis Honey Development Program

The San Luis Honey Development Program (SLHDP) promoted honey production to supplement the income of disadvantaged people in underdeveloped areas in the province of San Luis through credit lines. These long-term, fixed rate, and Argentine Peso-denominated loans were made as part of a series of annual campaigns which took place from 1994 through 1999.

In the underlying investigation, the Department found the Province of San Luis Honey Development Program to be countervailable. See *Honey Issues Memo*, at "Province of San Luis Honey Development Program." There is no new information or evidence of changed circumstances which would warrant reconsideration of this finding.

In the underlying investigation we treated loans made under this program as loans that had been forgiven during the 1999, the POI. See 19 CFR 351.508(a). In the instant review, the GOA reported that the Province of San Luis had undertaken significant efforts to collect payment on these loans. We verified that the Province of San Luis had collected a few, very small payments in 2001 and 2002. However, the amount collected was so small that it would have no impact on the countervailable subsidy rate. As such, we need not address whether it is appropriate to consider these payments as repayments of the subsidy. Therefore, consistent with our methodology in the investigation, we have summed the amounts disbursed through the program for the years 1994 through 1999, plus the accrued interest through 1999, when

<sup>3</sup> Law 25,567 and Decree 214/2002 converted all foreign currency-denominated debts except those directly related to the financing of exports.

the loans were effectively forgiven. We summed those amounts and added the leasing amount for 1999 and then allocated this sum over the 10-year average useful life of assets (AUL) used in the honey industry. We used the 1999 annual average of long-term fixed Peso-denominated interest rates as our discount rate. See "Benchmark Interest Rates and Discount Rates," and "Allocation Period" sections, above.

For the purposes of establishing the countervailable subsidy rate for 2001, we converted the Argentine Peso-denominated benefit attributable to 2001 into U.S. Dollars using the official exchange rates provided by the GOA. We then divided this amount by the U.S. Dollar value of honey production in the Province of San Luis during 2001. We then determined the countervailable subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from San Luis represents of total honey exports to the United States during 2001. Thus, the countervailable subsidy rate attributable to this program for 2001 is 0.141 percent *ad valorem*.

For the purposes of establishing the countervailable subsidy rate for 2002, and the cash deposit rate, we converted the Argentine Peso-denominated benefit attributable to 2002 into U.S. Dollars using the official annual average exchange rate provided by the GOA. We then divided this amount by the U.S. Dollar value of honey production in the Province of San Luis during 2002. We then determined the subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from San Luis represents of total honey exports to the United States during 2002. Thus, the countervailable subsidy rate for 2002 and cash deposit rate applicable to this program are 0.024 percent *ad valorem*.

## 2. Province of Chaco Line of Credit Earmarked for the Honey Sector

The Chaco government's Line of Credit Earmarked for the Honey Sector funded efforts to increase honey production in the province. The Chaco government offered long-term, fixed rate, Argentine Peso-denominated loans to purchase hives as well as loans to improve access to new bee breeds and for honey extraction rooms. These loans were made as part of a series of annual campaigns which took place in 1995, 1997, and 1999.

In the *Honey Final Determination*, we determined that the leasing component of the Honey Program was countervailable. See *Honey Issues*

*Memo*, at "Province of Chaco Line of Credit Earmarked for the Honey Sector." There is no new information or evidence of changed circumstances which would warrant the reconsideration of this finding.

However, in the instant review, based on the results of verification, we find it appropriate to make one change to the calculation of the benefit arising from this program. We calculated outstanding balances for these loans to include outstanding interest which accrued on these loans. In order to determine whether a benefit existed, we compared the interest rate charged on loans provided under this program to the commercial interest rates for loans that most closely resemble loans under this program. Because these are long-term, fixed rate, Argentine Peso-denominated loans, we selected from information provided by the GOA a long-term benchmark from: 1995 to apply to the 1995 tranche; 1997 to apply to the 1997 tranche; and 1999 to apply to the 1999 tranche. Based on this comparison, there is a difference in the amount the recipient of the loan pays on the loan and the amount the recipient would have paid on a comparable commercial loan that the recipient could have actually obtained on the market. Thus, this line of credit is providing a benefit, under section 771(5)(E) (ii) of the Act.

We calculated the amount of the benefit for 2001 in the following steps: (1) We multiplied the average outstanding Argentine Peso-denominated loan balances for 2001 by the interest rate differential; (2) we converted the resulting the resulting Argentine Peso-denominated benefit into U.S. Dollars using the official annual average exchange rates provided by the GOA; (3) we divided this U.S. Dollar-denominated benefit by the U.S. Dollar value of honey production in the Province of Chaco during 2001; (4) we then determined the subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from the Province of Chaco represents of total honey exports to the United States during 2001. We find the countervailable subsidy from this line of credit to be 0.084 percent *ad valorem* for 2001.

For the purposes of establishing the countervailable subsidy rate for 2002 and the cash deposit rate of estimated countervailing duties, we calculated the amount of the benefit for 2002 in the following steps: (1) We multiplied the average outstanding Argentine Peso-denominated loan balances for 2002 by the interest rate differential; (2) we converted the resulting Argentine Peso-

denominated benefit into U.S. Dollars using the official exchange rates provided by the GOA; (3) because the GOA was unable to demonstrate that no honey produced in Chaco was exported to the United States in 2002, we divided this U.S. Dollar-denominated benefit by the U.S. Dollar value of honey production in Argentina during 2002. Thus, the countervailable subsidy rate for 2002 and cash deposit rate applicable to this program are 0.019 percent *ad valorem*.

## 3. Buenos Aires Honey Program

In 1996, the Province of Buenos Aires created the Buenos Aires Honey Development Program (BAHP) to increase provincial honey production, and improve production efficiency and quality. Through the program, the Banco de la Provincia de Buenos Aires (Banco Provincia or BAPRO), a bank owned by the government of the Province of Buenos Aires, provides two types of credit lines to honey producers in the province: the Line of Credit for Working Capital; and the Line of Credit for the Acquisition of Capital Goods. Eligibility for both credit lines requires honey producers to enroll in the Province's Registry of Honey Producers. In addition, the Province of Buenos Aires provided Technical Assistance at no charge to honey producers.

In the underlying investigation, we found all three elements of the BAHP to provide countervailable subsidies. See *Honey Issues Memo*, at "Buenos Aires Honey Program." There is no new information or evidence of changed circumstances which would warrant reconsideration of this finding. However, the GOA reported, and we verified, that no Technical Assistance was provided under the BAHP during the POR.

### A. The Line of Credit for Working Capital

The Line of Credit for Working Capital enables beekeepers to finance their operating expenses. Beekeepers applying for this loan must have a minimum of fifteen beehives. This line offers US\$15.00 per active producing beehive with no limit on the number of beehives. The maximum term for repayment of the loan may not exceed 180 days from the date of the loan.

The Banco Provincia offered two different rates under this line of credit: (i) For products that will be exported, the applicable interest rate is the market rate applied by Banco Provincia under its line of credit for the pre-financing of exports; (ii) for all other cases, the applicable interest rate is the market rate that Banco Provincia charges under



all other credit facilities. There were no loans for the prefinancing of exports under this line of credit with outstanding balances in 2001 or 2002.

To calculate the 2001 benefit we multiplied the average U.S. Dollar-denominated loan balance outstanding during 2001 by the difference between the interest rate charged by this program and the benchmark for short-term, U.S. Dollar-denominated loans (*See* "Benchmark Interest Rates and Discount Rates" section above).

Because loans made under this program were converted from U.S. Dollars to Argentine Pesos on January 29, 2002 pursuant to Law 25,567 and Decree 214/2002, we consider this conversion to constitute, in effect, a new loan made in 2002. To calculate the benefit for 2002 we did the following: (1) We multiplied the U.S. Dollar-denominated outstanding loan balances which existed from January 1, 2002 through January 29, 2002 by the difference between the interest rate for loans charged under the program and the appropriate benchmark interest rate for U.S. Dollar-denominated loans; (2) we then multiplied the averaged Argentine Peso-denominated outstanding loan balance which existed from January 29, 2002 through December 31, 2002 by the difference between the interest rate charged under the program and the appropriate benchmark interest rate for short-term, Argentine Peso-denominated loans made during 2002; and (3) we converted the 2002 Argentine Peso-denominated benefit into U.S. Dollars using the official exchange rate data provide by the GOA.

#### *B. The Line of Credit for the Acquisition of Capital Goods*

The Line of Credit for the Acquisition of Capital Goods under the BAHF was implemented by the Banco Provincia through Circular "A" No. 13,854 in July 1997, pursuant to an agreement between the Banco Provincia and Banco de Inversion y Comercio Exterior S.A. (BICE), and utilizes funding provided through the BICE Norms 006 and 006/1. The BICE is a GOA entity, which functions as a "second tier" bank, lending money to other banks (both commercial and other government-owned or controlled banks) for the purpose of implementing government lending programs.

Under this line of credit, beekeepers are eligible to receive long-term financing for the acquisition of capital goods including beehives, new nuclei, inert material, and extraction and processing material, among other goods. Financing for this line of credit carries

a maximum repayment term of five years. Interest rates are based on LIBOR, plus a spread added by the BICE, and a spread added by the Banco Provincia. The spreads given by both the BICE and Banco Provincia vary depending upon the repayment schedule of the loan. All of the loans that had outstanding loan balances during the POR were originally provided in U.S. Dollars; but these balances were converted to Argentine Pesos on January 29, 2002 in accordance with Law 25,567 and Decree 214/2002.

To calculate the 2001 benefit we multiplied the average U.S. Dollar-denominated balance outstanding during 2001 by the difference between the interest rate charged by this program and the benchmark for long-term U.S. Dollar-denominated loans (*See* "Benchmark Interest Rates and Discount Rates" section above).

As discussed above, loans made under this program were converted from U.S. Dollars to Argentine Pesos pursuant to Law 25,567 and Decree 214/2002. As such, we consider that this conversion constitutes, in effect, the provision of new loans made in 2002. We calculated the benefit for 2002 in the following steps: (1) We multiplied the average U.S. Dollar-denominated outstanding loan balances which existed from January 1, 2002 through January 28, 2002 by the difference between the interest rate for loans charged under the program and the appropriate benchmark interest rate for U.S. Dollar-denominated loans; (2) we multiplied the average Argentine Peso-denominated outstanding loan balance which existed from January 29, 2002 through December 31, 2002 by the difference between the interest rate charged under the program and the appropriate benchmark interest rate for long-term, Argentine Peso-denominated loans made during 2002; and (3) we converted the 2002 Argentine Peso-denominated benefit into U.S. Dollars using the official exchange rate data provide by the GOA.

#### *Total Countervailable Subsidy From the Buenos Aires Honey Program*

To calculate the total countervailable subsidy for 2001 from the Buenos Aires Honey program, we did the following: (1) We summed all dollar-denominated benefits arising from Loans for Working Capital and Loans for the Acquisition of Capital Goods; (2) we divided this total 2001 benefit by the value of honey production in the Province of Buenos Aires during the 2001; (3) we then determined the subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from

the Province of Buenos Aires represents of total honey exports to the United States during 2001. *See* section entitled "Denominator Issues" above. Thus, we preliminarily determine the countervailable subsidy rate from the Buenos Aires Honey Program for 2001 is 0.047 percent *ad valorem*.

To calculate the total countervailable subsidy for 2002 from the Buenos Aires Honey program, we did the following: (1) We summed all dollar-denominated benefits arising from Loans for Working Capital and Loans for the Acquisition of Capital Goods; (2) we divided this total 2002 benefit by the value of honey production in the Province of Buenos Aires during the 2002; (3) we then determined the subsidy attributable to subject merchandise from this program by multiplying the calculated subsidy rate by the percentage that honey from the Province of Buenos Aires represents of total honey exports to the United States during 2002. *See* section entitled "Denominator Issues" above. Thus, we preliminarily determine the countervailable subsidy rate from the Buenos Aires Honey Program for 2002 and the rate of cash deposit of estimated countervailing duties applicable to this program is 0.045 percent *ad valorem*.

## **II. Program Preliminarily Determined To Be Not Countervailable**

### *Provincial Program*

Buenos Aires Micro-, Small- and Medium-Sized Businesses (MIPyMEs) Agreement for 2000 and the Buenos Aires Agricultural MIPyMEs Agreement for 2000

The Province of Buenos Aires provided information on two agreements: the "Convenio Programa MIPyMEs Bonarenses 2000" and the "Convenio Programa MIPyMEs Agropecarias Bonarense 2000," which together comprise the MIPyMEs Agreement. This program is administered by the Banco de la Provincia de Buenos Aires (Banco Provincia or BAPRO) and its goal is to preserve and assist in the development of small businesses. MIPyMEs is the acronym for Micros, Pequeñas y Medianas Empresas (micro- small-, and medium sized businesses). Information about these programs was provided in response to the Department's question regarding whether the GOA, or entities owned directly, in whole or in part, by the government, provide, directly or indirectly, any other forms of assistance to producers or exporters of the subject merchandise.

Under the MIPyMEs Agreement, the government of the Province of Buenos Aires, through Banco Provincia,



allocated US\$ 50,000 for each of the agreements made under the Special Programs of Support of Economic Activities of the Province of Buenos Aires for the year 2000. The programs are to offset up to 7 annual percentage points for loans issued by Banco Provincia during the year 2000 to micro-, small-, and medium-sized companies in the agricultural, industrial, commercial, and services sectors within the Province of Buenos Aires. In general, under the MIPyMEs Agreement, loans are granted for purposes of working capital and investment. The terms (length) of the loans varied and were based on the nature of the borrower. For the honey sector, loans can be given up to US\$ 20,000 and have an interest rate for non-export transactions<sup>4</sup> in foreign currency. The Province can defray the interest on these loans up to four percent annually.

While eligibility for this program is limited to micro-, small- and medium-sized businesses involved in agricultural, industrial, commercial, and services sectors within the Province of Buenos Aires, in accordance with 19 CFR § 351.502(e), a subsidy is not specific solely because the subsidy is limited to small firms or small- and medium-sized firms. As such, we preliminarily determine that this program is not *de jure* specific. We have analyzed whether the actual use of these credit loans give rise to *de facto* specificity under section 71(5A)(D)(iii) of the Act. Based on information examined at verification, these loans were provided to a broad range of borrowers within numerous industries in agriculture, industry, and services. Honey producers received significantly less than one percent of the loans, by value, under the MIPyMEs Agreement. Thus, there is no basis for concluding that benefits under this program are *de facto* specific to an enterprise or industry or group of industries within the meaning of section 771(5A)(D)(iii) of the Act. Moreover, we found no evidence to indicate that these loans were provided to finance exports or import substitution.

As a result, we preliminarily determine that the loans offered under the MIPyMEs Agreement are not countervailable subsidies within the meaning of the Act.

<sup>4</sup> According to the questionnaire response, dated April 14, 2003, this rate typically exceeds the rate associated with loans that pertain to foreign trade, due to the perceived higher level of risk associated with the transactions.

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

We preliminarily determine that Argentine producers and exporters of honey to the United States did not apply for or receive benefits under the following programs during the POR.

#### A. Federal Programs

1. BICE Norm 001: Financing of Production of Goods Destined for Export
2. BICE Norm 007: Line of Credit Offered to Finance Industrial Investment Projects to Restructure and Modernize the Argentine Industry
3. BNA Line of Credit to the Agricultural Producers of the Patagonia
4. BNA Pre-Financing of Exports Regime for the Agricultural Sector
5. Production Pole Program for Honey Producers
6. Enterprise Restructuring Program
7. SGRs—Government Backed Loans Guarantees
8. Fundacion Export \*AR
9. PROAPI

#### B. Provincial Programs

1. Province of Entre Rios Honey Program
2. Province of Chabut: Province of Chabut Law No. 4430/98
3. Province of Santiago del Estero Creditos de Confinanzas (Trust Credits)

### Preliminary Results of Administrative Review

In accordance with section 777A(e)(2)(B) of the Act, we have calculated CVD rates on an aggregate or industry-wide basis for exports of subject merchandise in this administrative review. We have calculated separate rates for 2001 and for 2002. We preliminarily determine the total net countervailable subsidy rate is 5.77 percent *ad valorem* for 2001 and 0.57 percent *ad valorem* for 2002.

If the final results of this administrative review remain the same as the preliminary results, the Department will instruct CBP to liquidate shipments of honey from Argentina entered, or withdrawn from warehouse, for consumption from January 1, 2001 through December 31, 2001 at 5.77 percent *ad valorem* and shipments of honey from Argentina entered, or withdrawn from warehouse, for consumption from January 1, 2002 through December 31, 2002 at 0.57 percent *ad valorem*. Also, the rate of cash deposits of estimated countervailing duties will be set at 0.57 percent *ad valorem* for all shipments of honey from Argentina 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 assessment instructions directly to the CBP within 15 days of publication of the final results of this 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. Unless otherwise extended, case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issue, and (2) a brief summary of the argument. 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 of submission of rebuttal briefs, that is, thirty-seven days after the date of publication of these preliminary results.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR 351.309(c)(ii), are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief.

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

Dated: December 8, 2003.

**James J. Jochum,**

*Assistant Secretary for Import Administration.*

[FR Doc. 03-30902 Filed 12-12-03; 8:45 am]

BILLING CODE 3510-DS-P