affiliated producers pursuant to 19 CFR 351.401(f)(2). Therefore, we have treated Hi-King and the affiliated entities in question as a single entity for purposes of this review.

Preliminary Results of the Review

As a result of our review, we preliminarily determine that the following percentage weighted-average dumping margin exists for the period September 1, 2006, through August 31, 2007:

Manufacturer/Exporter	Percent Margin
Yancheng Hi-King Agriculture Developing Co., Ltd.	0.00

Comments

We will disclose the calculations used in our analysis to parties in this review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit publicly available information to value factors no later than 20 days after the date of publication of these preliminary results of review. See 19 CFR 351.301(c)(3)(ii). Any interested party may request a hearing within 30 days of the date of publication of this notice. See 19 CFR 351.310. Interested parties who wish to request a hearing or to participate in a hearing if one is requested must submit a written request to the Assistant Secretary for Import Administration within 30 days of the date of publication of this notice. Requests should contain the following: (1) the party's name, address, and telephone number; (2) the number of participants; (3) a list of issues to be discussed. See 19 CFR 351.310(c).

Issues raised in the hearing will be limited to those raised in the case and rebuttal briefs. See 19 CFR 351.310(c). Case briefs from interested parties may be submitted not later than 30 days after the date of publication of this notice of preliminary results of review. See 19 CFR 351.309(c)(1)(ii). Rebuttal briefs from interested parties, limited to the issues raised in the case briefs, may be submitted not later than five days after the time limit for filing the case briefs or comments. See 19 CFR 351.309(d)(1). If requested, any hearing will be held two days after the scheduled date for submission of rebuttal briefs. See 19 CFR 351.310(d). Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each argument a statement of the issue, a summary of the arguments not exceeding five pages, and a table of statutes, regulations, and cases cited. See 19 CFR 351.309(c)(2).

The Department will issue the final results of this administrative review, including the results of its analysis of issues raised in any such written briefs or at the hearing, if held, not later than 120 days after the date of publication of this notice. See section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of review. If these preliminary results are adopted in our final results of review, because we calculated a margin of zero percent for Hi-King, we will instruct CBP to liquidate the entries of merchandise exported by Hi-King without regard to antidumping duties.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) for subject merchandise exported by Hi-King, the cash-deposit rate will be that established in the final results of review; (2) for previously reviewed or investigated companies not listed above that have separate rates, the cash-deposit rate will continue to be the company-specific rate published for the most recent period; (3) for all other PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash-deposit rate will be PRC-wide rate of 223.01 percent; (4) for all non-PRC exporters of subject merchandise the cash-deposit rate will be the rate applicable to the PRC entity that supplied that exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

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

This administrative review and this notice are in accordance with sections 751(a)(1) and 777(i) of the Act.

Dated: September 29, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–23572 Filed 10–3–08; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–533–844]

Certain Lined Paper Products From India: Notice of 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 (CVD) order on certain lined paper products from India for the period February 15, 2006, through December 31, 2006, the period of review (POR).[1] For information on the net subsidy rate for the reviewed company, Navneet Publications (India) Limited (Navneet), 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.

DATES: *Effective Date:* October 6, 2008.

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska or John Conniff, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW., Washington,

[1] Pursuant to 19 CFR 351.213(e)(2)(ii), because the Department received Navneet's request during the first anniversary month after publication of the order, this administrative review covers entries from February 15, 2006, the date of suspension of liquidation through December 31, 2006, the end of the most recently completed calendar year. (The date of suspension of liquidation corresponds to the publication in the **Federal Register** of the *Notice of Preliminary Affirmative Countervailing Duty Determination and Preliminary Negative Critical Circumstances Determination: Certain Lined Paper Products from India,* 71 FR 7916 (February 15, 2006) (*Preliminary Determination of Lined Paper Investigation*). However, for purposes of this administrative review, we will analyze data corresponding to calendar year 2006 (January 1, 2006, through December 31, 2006) to determine the subsidy rate for exports of subject merchandise made during the period in which liquidation of entries was suspended.

DC 20230; *telephone:* (202) 482–8362 or (202) 482–1009, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 28, 2006, the Department published in the **Federal Register** the CVD order on certain lined paper products from India. *See Notice of Amended Final Determination of Sales at Less Than Fair Value: Certain Lined Paper Products from the People's Republic of China; Notice of Antidumping Duty Orders: Certain Lined Paper Products from India, Indonesia and the People's Republic of China; and Notice of Countervailing Duty Orders: Certain Lined Paper Products from India and Indonesia,* 71 FR 56949 (September 28, 2006). On September 4, 2007, 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,* 72 FR 50657 (September 4, 2007) (*Opportunity to Request Review*).[2] On September 21, 2007, we received a timely request for review from Navneet, an Indian producer and exporter of subject merchandise.

On October 31, 2007, the Department initiated an administrative review of the CVD order on certain lined paper products from India, covering the period February 15, 2006, through December 31, 2006. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 72 FR 61621 (October 31, 2007).[3]

The Department issued a questionnaire to the Government of India (GOI) and Navneet (collectively, the respondents) on November 6, 2007. We received a questionnaire response from Navneet on December 8, 2007, and from the GOI on December 13, 2007. Between March 31, 2008, and July 9, 2008, we issued supplemental questionnaires to the respondents regarding programs addressed in the initial CVD questionnaire and received responses. Between April 8, 2008, and July 17, 2008 we received supplemental questionnaire responses from the GOI and Navneet.

[2] On October 1, 2007, we published a correction to the *Opportunity to Request Review* to correct the POR. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review,* 72 FR 55741 (October 1, 2007).

[3] In the notice of initiation published October 31, 2007, we listed the POR for certain lined paper products from India incorrectly. The correct POR is listed above.

On January 17, 2008, petitioners[4] submitted information on a new subsidy allegation. On April 30, 2008, the Department initiated an investigation of the new subsidy allegation. *See* the Memorandum to Melissa G. Skinner, Director, Office 3, from Jolanta Lawska, Case Analyst, entitled, ''New Subsidy Allegations for Navneet Publications (India), Ltd. (Navneet),'' a public document on file in the Central Records Unit (CRU), room 1117 of the main Department building. On May 6, 2008, we issued a questionnaire on this new subsidy allegation to Navneet and the GOI. On May 19, 2008, and June 3, 2008, we received responses to the new subsidy questionnaires from the GOI and Navneet, respectively. On July 8, 2008, we issued a supplemental questionnaire to Navneet. On July 17, 2008, we received a Navneet's response.

On May 16, 2008, the Department published in the **Federal Register** an extension of the deadline for the preliminary results of this review to no later than September 29, 2008. *See Certain Lined Paper Products from India: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review,* 73 FR 28431 (May 16, 2008).

In accordance with 19 CFR 351.213(b), this review covers only those producers or exporters for which a review was specifically requested. The company subject to this review is Navneet. This review covers 15 federal programs and 7 state programs.

Scope of Order

The scope of this order includes certain lined paper products, typically school supplies, composed of or including paper that incorporates straight horizontal and/or vertical lines on ten or more paper sheets, including but not limited to such products as single- and multi-subject notebooks, composition books, wireless notebooks, looseleaf or glued filler paper, graph paper, and laboratory notebooks, and with the smaller dimension of the paper measuring 6 inches to 15 inches (inclusive) and the larger dimension of the paper measuring 8¾ inches to 15 inches (inclusive). Page dimensions are measured size (not advertised, stated, or ''tear-out'' size), and are measured as they appear in the product (*i.e.*, stitched and folded pages in a notebook are measured by the size of the page as it appears in the notebook page, not the size of the unfolded paper). However, for measurement purposes, pages with tapered or rounded edges shall be measured at their longest and widest points. Subject lined paper products may be loose, packaged or bound using any binding method (other than case bound through the inclusion of binders board, a spine strip, and cover wrap). Subject merchandise may or may not contain any combination of a front cover, a rear cover, and/or backing of any composition, regardless of the inclusion of images or graphics on the cover, backing, or paper. Subject merchandise is within the scope of the order whether or not the lined paper and/or cover are hole punched, drilled, perforated, and/or reinforced. Subject merchandise may contain accessory or informational items including but not limited to pockets, tabs, dividers, closure devices, index cards, stencils, protractors, writing implements, reference materials such as mathematical tables, or printed items such as sticker sheets or miniature calendars, if such items are physically incorporated, included with, or attached to the product, cover and/or backing thereto. Specifically excluded from the scope of this order are:

- Unlined copy machine paper;
- Writing pads with a backing (including but not limited to products commonly known as ''tablets,'' ''note pads,'' ''legal pads,'' and ''quadrille pads''), provided that they do not have a front cover (whether permanent or removable). This exclusion does not apply to such writing pads if they consist of hole-punched or drilled filler paper;
- Three-ring or multiple-ring binders, or notebook organizers incorporating such a ring binder provided that they do not include subject paper;
- Index cards;
- Printed books and other books that are case bound through the inclusion of binders board, a spine strip, and cover wrap;
- Newspapers;
- Pictures and photographs;
- Desk and wall calendars and organizers (including but not limited to such products generally known as ''office planners,'' ''time books,'' and ''appointment books'');
- Telephone logs;
- Address books;
- Columnar pads & tablets, with or without covers, primarily suited for the recording of written numerical business data;
- Lined business or office forms, including but not limited to: Preprinted business forms, lined invoice pads and paper, mailing and address labels, manifests, and shipping log books;

[4] Petitioners are the Association of American School Paper Suppliers and its members Mead Westvaco Corporation, Top Flight Inc., and Norcom Inc.

• Lined continuous computer paper;
• Boxed or packaged writing stationery (including but not limited to products commonly known as ''fine business paper,'' ''parchment paper,'' and ''letterhead''), whether or not containing a lined header or decorative lines;
• Stenographic pads (''steno pads''), Gregg ruled,[5] measuring 6 inches by 9 inches;

Also excluded from the scope of this order are the following trademarked products:

• Fly TM lined paper products: A notebook, notebook organizer, loose or glued note paper, with papers that are printed with infrared reflective inks and readable only by a Fly TM;
• Pen-top computer. The product must bear the valid trademark Fly TM;[6]
• Zwipes TM: A notebook or notebook organizer made with a blended polyolefin writing surface as the cover and pocket surfaces of the notebook, suitable for writing using a specially-developed permanent marker and erase system (known as a Zwipes TM pen). This system allows the marker portion to mark the writing surface with a permanent ink. The eraser portion of the marker dispenses a solvent capable of solubilizing the permanent ink allowing the ink to be removed. The product must bear the valid trademark Zwipes TM.[7]
• FiveStar R Advance TM: A notebook or notebook organizer bound by a continuous spiral, or helical, wire and with plastic front and rear covers made of a blended polyolefin plastic material joined by 300 denier polyester, coated on the backside with PVC (poly vinyl chloride) coating, and extending the entire length of the spiral or helical wire. The polyolefin plastic covers are of specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). Integral with the stitching that attaches the polyester spine covering, is captured both ends of a 1″ wide elastic fabric band. This band is located 2⅜″ from the top of the front plastic cover and provides pen or pencil storage. Both ends of the spiral wire are cut and then bent backwards to overlap with the previous coil but specifically outside the coil diameter but inside the polyester covering. During construction, the polyester covering is sewn to the front and rear covers face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. The flexible polyester material forms a covering over the spiral wire to protect it and provide a comfortable grip on the product. The product must bear the valid trademarks FiveStar R Advance TM.[8]
• FiveStar Flex TM: A notebook, a notebook organizer, or binder with plastic polyolefin front and rear covers joined by a 300 denier polyester spine cover extending the entire length of the spine and bound by a 3-ring plastic fixture. The polyolefin plastic covers are of a specific thickness; front cover is 0.019 inches (within normal manufacturing tolerances) and rear cover is 0.028 inches (within normal manufacturing tolerances). During construction, the polyester covering is sewn to the front cover face to face (outside to outside) so that when the book is closed, the stitching is concealed from the outside. During construction, the polyester cover is sewn to the back cover with the outside of the polyester spine cover to the inside back cover. Both free ends (the ends not sewn to the cover and back) are stitched with a turned edge construction. Each ring within the fixture is comprised of a flexible strap portion that snaps into a stationary post which forms a closed binding ring. The ring fixture is riveted with six metal rivets and sewn to the back plastic cover and is specifically positioned on the outside back cover. The product must bear the valid trademark FiveStar Flex TM.[9]

Merchandise subject to this order is typically imported under headings 4820.10.2050, 4810.22.5044, 4811.90.9090, 4820.10.2010, 4820.10.2020, and 4820.10.4001 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS headings are provided for convenience and customs purposes; however, the written description of the scope of this order is dispositive.

Subsidies Valuation Information

I. Benchmarks for Loans and Discount Rates

In these preliminary results, we require the use of rupee-denominated long-term loans for purposes of our benchmark discount rate and long-term benchmark rate. Pursuant to 19 CFR 351.524(d)(3)(i), the Department will use, when available, the company-specific cost of long-term, fixed-rate loans (excluding loans deemed to be countervailable subsidies) as a discount rate for allocating non-recurring benefits over time. Similarly, pursuant to 19 CFR 351.505(a), the Department will normally use the actual cost of comparable commercial borrowing by a company as a loan benchmark, when available. According to 19 CFR 351.505(a)(2)(i), a comparable commercial loan is defined as one that, when compared to the loan being examined, has similarities in the structure of the loan (*e.g.*, fixed interest rate vs. variable interest rate), the maturity of the loan (*e.g.*, short-term vs. long-term), and the currency in which the loan is denominated.

However, when there are no comparable commercial loans, the Department may use a national average interest rate as a benchmark discount rate and long-term benchmark rate, pursuant to 19 CFR 351.524(d)(3)(i)(B) and 19 CFR 351.505(a)(3)(ii), respectively. In addition, 19 CFR 351.505(a)(2)(ii) states that the Department will not consider a loan provided by a government-owned special purpose bank for purposes of selecting a benchmark rate.

Navneet reported rupee-denominated and dollar-denominated commercial short-term loans that were outstanding during the POR.[10] However, Navneet did not report any comparable long-term loans from commercial banks during the years under consideration that the Department could use for our benchmark discount rate and long-term benchmark rate. Therefore, in accordance with 19 CFR 351.524(d)(3)(i)(B) and 19 CFR 351.505(a)(3)(ii), we used India's prime lending rate (PLR) as published by the Reserve Bank of India (RBI), as our long-term benchmark interest rate. The use of the PLR is consistent with the Department's practice in prior Indian proceedings. *See, e.g., Final Results of Countervailing Duty Administrative Review: Certain Hot-Rolled Carbon Steel Flat Products from India*, 69 FR 26549

[5] ''Gregg ruling'' consists of a single- or double-margin vertical ruling line down the center of the page. For a six-inch by nine-inch stenographic pad, the ruling would be located approximately three inches from the left of the book.

[6] Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

[7] Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

[8] Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

[9] Products found to be bearing an invalidly licensed or used trademark are not excluded from the scope.

[10] In these preliminary results we are examining a countervailable program that requires the use of long-term benchmarks.

(May 13, 2004) (*Final Results of First HRC Review*), and accompanying Issues and Decision Memorandum (*Final Results of First HRC Review Decision Memorandum*) at I.B. ''Benchmarks for Loans and Discount Rate.''

II. Allocation Period

Under 19 CFR 351.524(d)(2)(i), we presume the allocation period for non-recurring subsidies to be the average useful life (AUL) of renewable physical assets for the industry concerned, as listed in the Internal Revenue Service's 1977 Class Life Asset Depreciation Range System (IRS tables), as updated by the U.S. Department of the Treasury. This presumption will apply unless a party claims and establishes that the IRS tables do not reasonably reflect the AUL of the renewable physical assets for the company or industry under review, and the party can establish that the difference between the company-specific or country-wide AUL for the industry under review is significant, pursuant to 19 CFR 351.524(d)(2)(i). For assets used to manufacture products such as lined paper products, the IRS tables prescribe an AUL of 15 years.

In its questionnaire responses, Navneet did not rebut the regulatory presumption of a 15-year AUL. We, therefore, used a 15-year AUL to allocate any non-recurring subsidies for purposes of these preliminary results.

Further, for non-recurring subsidies, we have applied the ''0.5 percent test'' described in 19 CFR 351.524(b)(2). Under this test, we compare the amount of subsidies approved under a given program in a particular year to sales (total sales or total export sales, as appropriate) for the same year. If the amount of subsidies is less than 0.5 percent of the relevant sales, then the benefits are allocated to the year of receipt rather than allocated over the AUL period.

Analysis Of Programs

I. Programs Preliminarily Determined To Be Countervailable

1. Duty Entitlement Passbook Scheme (DEPS)

India's DEPS was enacted on April 1, 1997, as a successor program to the Passbook Scheme (PBS). DEPS enables exporting companies to earn import duty exemptions in the form of passbook credits rather than cash. All exporters are eligible to earn DEPS credits on a post-export basis, provided that the GOI has established a standard input/output norm (SION) for the exported product. DEPS credits can be used for any subsequent imports, regardless of whether they are consumed in the production of an export product. DEPS credits are valid for 12 months and are transferable after the foreign exchange is realized from the export sales on which the DEPS credits are earned. With respect to subject merchandise, the GOI has established a SION for the lined paper industry.

The Department has previously determined that DEPS is a countervailable program. *See, e.g., Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Lined Paper Products from India*, 71 FR 45034 (August 8, 2006) (*Final Determination of Lined Paper Investigation*), and accompanying Issues and Decision Memorandum (*Final Determination of Lined Paper Investigation Decision Memorandum*) at IV. A.3. ''Duty Entitlement Passbook Scheme.'' Specifically, we determined that under DEPS, a financial contribution, as defined under section 771(5)(D)(ii) of the Tariff Act of 1930, as amended (the Act), is provided because (1) the GOI provides credits for the future payment of import duties, and (2) the GOI does not have in place and does not apply a system that is reasonable and effective for determining what imports are consumed in the production of the exported product and in what amounts. *Id.* Therefore, under section 771(5)(E) of the Act and 19 CFR 351.519(a)(4), we determined that the entire amount of import duty exemption earned during the POR constitutes a benefit. We also found DEPS to be specific under section 771(5A)(A) of the Act because the program is limited to exporters. *See Final Determination of Lined Paper Investigation Decision Memorandum* at IV.A.3. ''Duty Entitlement Passbook Scheme.'' No new information or evidence of changed circumstances has been presented in this review to warrant reconsideration of the Department's finding.

We have previously determined that this program provides a recurring benefit under 19 CFR 351.519(c). *See, e.g., Preliminary Determination of Lined Paper Investigation*, 71 FR 7916, 7920 (unchanged in *Final Determination of Lined Paper Investigation*). *See also* 19 CFR 351.524(c). In accordance with past practice and pursuant to 19 CFR 351.519(b)(2), we preliminarily find that benefits from the DEPS program are conferred as of the date of exportation of the shipment for which the DEPS credits are earned. *See, e.g., Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate from India*, 64 FR 73131 (December 29, 1999) (*Final Determination of CTL Plate Investigation*), at Comment 4 (explaining that for programs such as the DEPS, ''We calculate the benefit on an 'earned' basis (that is upon export) where it is provided as a percentage of the value of the exported merchandise on a shipment-by-shipment basis and the exact amount of the exemption is known'').

To calculate the benefit, we summed the credits that Navneet earned during the POR on each export shipment to the United States during the POR. We then subtracted as an allowable offset the actual amount of application fees paid for each license in accordance with section 771(6) of the Act.

Because DEPS credits are earned on a shipment-by-shipment basis, in calculating the net subsidy rate under the DEPS program, we normally divide the DEPS credits, or benefits, earned on exports of subject merchandise to the United States during the POR by the total sales of subject merchandise to the United States during the POR. However, in the case of Navneet, the U.S. sales on which the company earned the DEPS credits during the POR pertained to both subject and non-subject merchandise. Therefore, in these preliminary results, we calculated the net subsidy rate by dividing the benefit by Navneet's total export sales to the United States during the POR. *See, e.g., Final Determination of Lined Paper Investigation Decision Memorandum* at IV.A.3. ''Duty Entitlement Passbook Scheme.''

On this basis, we preliminarily calculate the net countervailable subsidy from the DEPS program to be 6.93 percent *ad valorem*.

2. Export Promotion Capital Goods Scheme (EPCGS)

The EPCGS provides for a reduction or exemption of customs duties and an exemption from excise taxes on imports of capital goods. Under this program, producers may import capital equipment at a reduced customs duty, subject to an export obligation equal to eight times the duty saved to be fulfilled over a period of eight years (12 years where the CIF value is Rs. 100 Crore) [11] from the date the license was issued. For failure to meet the export obligation, a company is subject to payment of all or part of the duty reduction, depending on the extent of the export shortfall, plus penalty interest.

The Department has previously determined that the import duty reductions provided under the EPCGS constitute a countervailable export subsidy. *See, e.g., Polyethylene*

[11] A crore is equal to 10,000,000 rupees.

Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review, 72 FR 6530 (February 12, 2007) (*Final Results of 3rd PET Film Review*), and accompanying Issues and Decision Memorandum (*Final Results of 3rd PET Film Review Decision Memorandum*) at ''Export Promotion Capital Good Scheme.'' *See also Final Determination of Lined Paper Investigation Decision Memorandum* at IV.A.2. ''Export Promotion Capital Goods Scheme.''

Specifically, the Department has found that under the EPCGS program, the GOI provides a financial contribution under section 771(5)(D)(ii) of Act, in the form of revenue foregone that otherwise would be due. *See, e.g., Final Determination of Lined Paper Investigation Decision Memorandum* at IV.A.2. ''Export Promotion Capital Goods Scheme.'' The Department also found this program to be specific under section 771(5A)(A) of the Act because it is contingent upon export performance. We further found that the EPCGS conferred a benefit under section 771(5)(E) of the Act. *Id.* No new information or evidence of changed circumstances has been provided with respect to this program. Therefore, we continue to find that import duty reductions provided under the EPCGS are countervailable export subsidies.

Navneet reported that it received import duty exemptions under the EPCGS program. For these preliminary results, we have determined the benefit for Navneet in accordance with our findings and treatment of this program in other Indian CVD proceedings. *See, e.g., Final Results of 3rd PET Film Review Decision Memorandum* at ''Export Promotion Capital Good Scheme;'' *See also Final Determination of Lined Paper Investigation* and *Final Determination of Lined Paper Investigation Decision Memorandum* at IV.A.2. ''Export Promotion Capital Goods Scheme.'' Under the Department's approach, there are two types of benefits under the EPCGS program. The first benefit is the amount of unpaid duties that would have to be paid to the GOI if the export requirements are not met. The repayment of this liability is contingent on subsequent events, and in such instances, it is the Department's practice to treat any balance on an unpaid liability as an interest-free loan. *See* 19 CFR 351.505(d)(1).

Further, consistent with our policy, absent acknowledgment in the form of an official letter from the GOI that the liability has been eliminated, we treat benefits from these licenses as contingent liabilities. *See, e.g., Final Results of 3rd PET Film Review Decision Memorandum* at ''Export Promotion Capital Goods Scheme;'' *see also Final Determination of Lined Paper Investigation Decision Memorandum* at IV.A.2. ''Export Promotion Capital Goods Scheme.''

For those EPCGS licenses for which Navneet has not yet met the export obligations specified in the licenses by the end of the POR, we preliminarily find that the company had outstanding contingent liabilities during the POR. We further determine that the amount of the contingent liability will be treated as an interest-free loan in the amount of the import duty reduction or exemption.

Accordingly, for those unpaid duties for which Navneet has yet to fulfill their export obligations, we preliminarily find the benefit to be the interest that Navneet would have paid during the POR had it borrowed the full amount of the duty reduction at the time of import. Pursuant to 19 CFR 351.505(d)(1), we used a long-term interest rate as our benchmark to calculate the benefit of a contingent liability interest-free loan because the event upon which repayment of the duties depends (*i.e.*, the date of expiration of the time period for the company to fulfill its export commitments) occurs at a point in time more than one year after the date the capital goods were imported. Specifically, we used the long-term benchmark interest rates as described in the ''Subsidies Valuation'' section, *supra*. The rate used corresponds to the year in which Navneet imported the items under the program.

The second benefit is the waiver of duty on imports of capital equipment covered by those EPCGS licenses for which the export requirement has been met. For certain licenses, Navneet reported that it had completed its export obligation under the EPCGS program, thereby eliminating the outstanding contingent liabilities on the corresponding duty exemptions. However, as explained above, in keeping with our practice, we have only accepted those claims that are accompanied by official letters from the GOI indicating that the company met its export obligation. Thus, for purposes of calculating the benefit, we treated licenses without accompanying letters from the GOI demonstrating satisfaction of the company's export obligations as contingent liabilities.

For those licenses for which Navneet demonstrated that it had fulfilled the export obligations, we followed our methodology set forth in the *Final Determination of Lined Paper Investigation* and treated the import duty savings as grants received in the year in which the GOI waived the contingent liability on the import duty exemptions. *See, e.g., Final Determination of Lined Paper Investigation Decision Memorandum*. In accordance with 19 CFR 351.524(b)(2), for each of the grant amounts related to the particular license, we performed the ''0.5 percent test'' to determine whether the benefit should be fully expensed in the year of receipt or allocated over the AUL used in this proceeding pursuant to the grant allocation methodology set forth in 19 CFR 351.524(d)(1). In all cases, the grant amounts of the licenses exceeded 0.5 percent of Navneet's relevant sales. Therefore, we allocated the grant amounts over time using the methodology set forth under 19 CFR 351.524(d)(i).

To calculate the subsidy rate for this program, we summed the benefits from the waived licenses, which we determined confer a benefit in the form of a grant, and from those licenses that have yet to be waived, which we determined confer a benefit in the form of contingent liability loans. We then divided the total benefits received by Navneet's total export sales for the POR. On this basis, we preliminarily determine the net countervailable subsidy from this program to be 1.35 percent *ad valorem*.

3. The Government of India's Income Deduction Program (80IB Tax Program)

Pursuant to the Income Tax Act of 1961, as amended by the Finance Act 2007, Chapter VIA, 80IB(4) (India) (2007), the GOI has implemented a tax policy to foster economic development of certain ''industrially backward'' regions in India. The tax exemptions allowed under the 80IB Tax Program are only available to companies located in designated geographical areas (referred to as ''backward areas'' by the GOI) within India.[12] Under the 80IB Tax Program, the GOI allows domestic companies that invest in economically less developed areas of India to reduce their corporate taxable income by up 100 percent of profit gained at production facilities located in designated geographical areas for a period of five years and by up to 30 percent for the next five years. The benefit is applied to the gross total income of the tax payer and is claimed when a company files its income tax return at the end of every financial year.

We preliminarily determine that the 80IB Tax Program is a countervailable program. Specifically, we preliminarily

[12] ''Industrially backward'' states are states and union territories specified in the Eight Schedule of the Indian tax code.

determine that a financial contribution is provided under this program, in the form of foregone tax revenue, within the meaning of section 771(5)(D)(ii) of the Act. We further preliminarily determine that the GOI provided a benefit under this program in an amount equal to the tax savings under section 771(5)(E) of the Act. In addition, we preliminarily determine that the program is limited to enterprises in geographically limited areas and, therefore, is specific within the meaning of section 771(5A)(D)(iv) of the Act.

One of Navneet's manufacturing plants operates in a region that is designated by the GOI as an ''industrially backward'' territory of India and therefore, the company is eligible for the tax incentives described above. Navneet reported that it received tax deductions under this program during the POR on its 2006 corporate income tax return, which was the return filed by the company during the POR. The Department typically treats a tax deduction as a recurring benefit in accordance with 19 CFR 351.524(c)(1). Under 19 CFR 351.509(a), the benefit is equal to the difference between the income tax that the company would have paid absent the program and the income tax the company paid under the program. Therefore, to calculate the benefit, we subtracted the amount of 2006 income tax Navneet paid under the program from the amount of income tax Navneet would have paid absent the program.

To calculate the net subsidy rate, we divided the benefit by Navneet's total sales for POR. On this basis, we preliminarily calculated an *ad valorem* rate of 0.47 percent.

II. Programs Preliminarily Determined Not To Be Used

A. Programs Administered by the Government of India

1. Duty Replenishment Certificate Scheme.

2. Advance License Program.

3. Export Processing Zones and Export Oriented Units.

4. Target Plus Scheme.

5. Export Processing Zones.

6. Income Tax Exemption Scheme (Sections 10A, 10B, and 80HHC).

7. Market Development Assistance.

8. Status Certificate Program.

9. Market Access Initiative.

10. Loan guarantees from the GOI.

11. Exemption of Export Credit from Interest Taxes.

12. Pre and Post-shipment Export Financing.

B. Programs Administered by the State Governments

State Government of Gujarat Programs:

1. State Government of Gujarat Provided Tax Incentives.

State Government of Maharashtra Programs:

2. Sales Tax Program from Maharashtra.

3. Electricity Duty Exemptions Under the State Government of Mahatrashtra's (SGM) Package Scheme of Incentives of 1993.

4. Refunds of Octroi Under the PSI of 1993, Maharashtra Industrial Policy (MIP of 2001) and Maharashtra Industrial Policy (MIP of 2006).

5. Infrastructure Subsidies to Mega Projects.

6. Land for Less than Adequate Remuneration (for firms operating in areas outside of the Bombay and Pune metropolitan areas).

7. Loan Guarantees Based on Octroi Refunds by the SGM.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we have calculated a subsidy rate for Navneet for the period February 15, 2006, through December 31, 2006. We preliminarily determine the total estimated net countervailable subsidy rate for Navneet is 8.75 percent *ad valorem* for 2006.

If the final results of this review remain the same as these preliminary results, the Department intends to issue assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of the final results of review. We will instruct CBP to collect cash deposits for Navneet at the CVD rate indicated above of the Free On Board (F.O.B.) invoice price on all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. We will also 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.

These deposit requirements, when imposed, shall remain in effect until further notice.

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 not later than ten days after the public announcement of this notice. Pursuant to 19 CFR 351.309(c)(ii), interested parties may submit written comments in response to these preliminary results within 30 days after the publication date of these preliminary results. Rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs, unless otherwise specified by the Department, pursuant to 19 CFR 351.309(d)(1). Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issues, (2) a brief summary of the argument, and (3) a table of statutes, regulations and case citied. 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(c), within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date for submission of rebuttal briefs, that is, 37 days after the date of publication of these preliminary results.

Pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h), the Department will publish the final results of this administrative review within 120 days after the publication date of preliminary results including the results of its analysis of arguments made in any case or rebuttal briefs.

These preliminary results of review are 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: September 29, 2009.

David M. Spooner,

Assistant Secretary for Import Administration.

[FR Doc. E8–23565 Filed 10–3–08; 8:45 am]

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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Notice of Indirect Cost Rates for the Office of National Marine Sanctuaries for Fiscal Year 2006

AGENCY: National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of indirect cost rates for the Office of National Marine Sanctuaries for Fiscal Year 2006.