

Dated: June 29, 2009.

**Alan D. Risenhoover,**

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

[FR Doc. E9-15848 Filed 7-2-09; 8:45 am]

**BILLING CODE 3510-22-S**

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

**RIN 0648-XQ15**

#### Pacific Fishery Management Council; Public Meeting

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

**ACTION:** Notice of public meeting.

**SUMMARY:** The Pacific Fishery Management Council's (Council) Ad Hoc Salmon Plan Amendment Committee (SPAC) will hold a meeting to initiate planning and develop draft alternatives for an amendment to the Salmon Fishery Management Plan (FMP) to address the Magnuson-Stevens Act (MSA) requirements for annual catch limits (ACL) and accountability measures (AM). This meeting of the SPAC is open to the public.

**DATES:** The meeting will be held Tuesday, August 4, 2009, from 8:30 a.m. to 5 p.m. and Wednesday August 5, 2009, from 8:30 a.m. to 3 p.m.

**ADDRESSES:** The meeting will be held at the National Marine Fisheries Service Southwest Fisheries Science Center, 110 Shaffer Road, Santa Cruz, CA 95060; telephone: (831) 420-3900.

**FOR FURTHER INFORMATION CONTACT:** Mr. Chuck Tracy, Salmon Management Staff Officer, Pacific Fishery Management Council, telephone: (503) 820-2280.

**SUPPLEMENTARY INFORMATION:** The reauthorized MSA established new requirements to end and prevent overfishing through the use of ACL and AM. Federal FMPs must establish mechanisms for ACL and AM by 2010 for stocks subject to overfishing and by 2011 for all others, with the exceptions of stocks managed under an international agreement or stocks with a life cycle of approximately one year.

On January 16, 2009, NMFS published amended guidelines for National Standard 1 (NS1) of the MSA to provide guidance on how to comply with new ACL and AM requirements. The NS1 Guidelines include recommendations for establishing several related reference points to ensure scientific and management

uncertainty are accounted for when management measures are established.

The purpose of this meeting is to develop recommendations for the scope of issues to be addressed in the FMP amendment process and to develop a work plan and begin drafting alternatives to address those issues.

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

#### Special Accommodations

These meetings are physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Ms. Carolyn Porter at (503) 820-2280 at least 5 days prior to the meeting date.

Dated: July 1, 2009.

**Tracey L. Thompson,**

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

[FR Doc. E9-15923 Filed 7-2-09; 8:45 am]

**BILLING CODE 3510-22-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-357-819]

#### Ni-Resist Piston Inserts From Argentina: Preliminary Affirmative Countervailing Duty Determination

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

**SUMMARY:** The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to a producer and exporter of Ni-resist piston inserts from Argentina. For information on the estimated subsidy rate, see the "Suspension of Liquidation" section of this notice.

**DATES:** *Effective Date:* July 6, 2009.

**FOR FURTHER INFORMATION CONTACT:** Kristen Johnson, AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution

Avenue, NW., Washington, DC 20230; telephone: (202) 482-4793.

#### SUPPLEMENTARY INFORMATION:

##### Case History

On January 26, 2009, the Department received the petition for the imposition of countervailing duties filed in proper form by the petitioner.<sup>1</sup> This investigation was initiated on February 17, 2009. See *Ni-Resist Piston Inserts From Argentina and the Republic of Korea: Initiation of Countervailing Duty Investigations*, 74 FR 8054 (February 23, 2009) (*Initiation Notice*), and accompanying Argentina Initiation Checklist.<sup>2</sup> On March 20, 2009, the Department postponed the deadline for the preliminary determination by 65 days to no later than June 29, 2009. See *Ni-Resist Piston Inserts From Argentina and the Republic of Korea: Notice of Postponement of Preliminary Determination in the Countervailing Duty Investigations*, 74 FR 11910 (March 20, 2009).

Normally for an investigation, the Department selects a respondent(s) based on U.S. Customs and Border Protection (CBP) data for U.S. imports during the period of investigation (POI). In this case, the Harmonized Tariff Schedule of the United States (HTSUS) category that includes subject merchandise is broad and includes products other than products subject to this investigation. We thus determined that such CBP data would not be informative to our respondent selection. In the petition, petitioner identified Clorindo Appo SRL (Clorindo) as the sole Argentine producer/exporter of subject merchandise to the United States during the POI. We did not receive comments from interested parties on respondent selection. Therefore, we selected Clorindo as the mandatory respondent in this investigation. See Memorandum from the Team through Melissa Skinner, Director, AD/CVD Operations Office 3, to John M. Andersen, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, titled "Respondent Selection" (March 4, 2009).

On March 4, 2009, we issued the initial countervailing duty (CVD) questionnaire to the Government of Argentina (GOA) and Clorindo. On March 4 and 27, 2009, petitioner submitted new subsidy allegations. On March 20 and April 6, 2009, the

<sup>1</sup> Petitioner is Korff Holdings, LLC d/b/a Quaker City Castings.

<sup>2</sup> A public version of this and all public memoranda is on file in the Central Records Unit (CRU), room 1117 in the main building of the Commerce Department.

Department initiated investigations of newly alleged subsidy programs pursuant to section 775 of the Tariff Act of 1930, as amended (the Act). See Memorandum to Melissa G. Skinner, Director, AD/CVD Operations Office 3, from Kristen Johnson, trade analyst, AD/CVD Operations Office 3, titled “New Subsidy Allegations” (March 20, 2009), and Memorandum to Melissa G. Skinner, Director, AD/CVD Operations Office 3, from Kristen Johnson, trade analyst, AD/CVD Operations Office 3, titled “Additional New Subsidy Allegations” (April 6, 2009). Questionnaires regarding these newly alleged subsidies were issued to the GOA and Clorindo on March 20 and April 6, 2009, respectively. The GOA and Clorindo submitted questionnaire responses to the March 4, 2009, initial questionnaire and March 20, 2009, new subsidy allegations questionnaire on April 24 and May 6, 2009,<sup>3</sup> respectively.

On May 6 and May 7, 2009, the GOA and Clorindo, respectively, submitted their questionnaire responses to the April 6, 2009, additional new subsidies questionnaire. We issued a supplemental questionnaire to the GOA and Clorindo on May 4, 2009, and received the GOA’s supplemental questionnaire response on May 28, 2009, and Clorindo’s response on June 1, 2009. On May 29, 2009, we issued a second supplemental questionnaire to the GOA and received the questionnaire response on June 17, 2009. On June 3, 2009, we issued a second supplemental questionnaire to Clorindo and received the questionnaire response on June 17, 2009.

### Scope of the Investigation

The scope of this investigation includes all Ni-resist piston inserts regardless of size, thickness, weight, or outside diameter. Ni-resist piston inserts may also be called other names including, but not limited to, “Ring Carriers,” or “Alfin Inserts.” Ni-resist piston inserts are alloyed cast iron rings, with or without a sheet metal cooling channel pressed and welded into the interior of the insert. Ni-resist piston inserts are composed of the material known as Ni-resist, of the chemical composition: 13.5%–17.5% Ni (nickel), 5.5%–8.0% Cu (copper), 0.8%–2.5% Cr (chromium), 0.5%–1.5% Mn

<sup>3</sup> On May 1, 2009, counsel for Clorindo was instructed to re-file the company’s questionnaire response dated April 24, 2009, because the document contained information not germane to this investigation. See Letter from Melissa G. Skinner, Director, AD/CVD Operations Office 3, to Peter Koenig of Squire, Sanders, and Dempsey, dated May 1, 2009. Mr. Koenig re-filed Clorindo’s questionnaire response on May 6, 2009.

(manganese), 1.0%–3.0% Si (silicon), 2.4%–3.0% C (carbon). The cast iron composition is produced primarily to the material specifications of the American Society for Testing and Materials (ASTM), ASTM A–436 grade 1.

The scope of this investigation does not include piston rings nor any other product manufactured using the Ni-resist material. The subject imports are properly classified under subheading 8409.99.91.90 of the HTSUS, but have been imported under HTSUS 7326.90. The HTSUS subheadings are provided for convenience and customs purposes. The written description is dispositive of the scope of this investigation.

### Scope Comments

In accordance with the *Preamble* to the Department’s regulations (see *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*)), in the *Initiation Notice*, we set aside a period of time for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of publication of the *Initiation Notice*. The Department did not receive scope comments from any interested party.

### Injury Test

Because Argentina is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, the International Trade Commission (the ITC) is required to determine whether imports of the subject merchandise from Argentina materially injure, or threaten material injury to, a U.S. industry. On March 25, 2009, the ITC published its preliminary determination finding that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Argentina of the subject merchandise. See *Ni-Resist Piston Inserts from Argentina and Korea; Determinations*, Investigation Nos. 701–TA–460–461 (Preliminary), 74 FR 12898 (March 25, 2009).

### Period of Investigation

The period of investigation for which we are measuring subsidies is January 1, 2008, through December 31, 2008, which corresponds to Argentina’s most recently completed fiscal year. See 19 CFR 351.204(b)(2).

### Company History

Clorindo, a privately-owned company, started operations as a car and truck motors repair shop in the mid 1950’s. In 1974, the company was incorporated and later in the 1980’s, the

company added to its product line the Ni-resist piston insert. Clorindo is the only producer and exporter of Ni-resist piston inserts in Argentina. Currently, the only product manufactured by Clorindo is the Ni-resist piston insert.

### Analysis of Programs

#### *I. Programs Preliminarily Determined To Be Countervailable*

##### A. Tax Relief Under the Reintegro

Pursuant to Decree No. 1011/91, the GOA established the Reintegro, which entitles Argentine exporters of new and unused goods manufactured in Argentina to a rebate of domestic indirect taxes that are levied during the production and distribution process of the finished export products.<sup>4</sup> The Reintegro provides a cumulative tax rebate paid upon export, calculated as a percentage of the FOB value of the export less the CIF value of imported raw materials. The Reintegro rate is applied only to the domestic value of the exported product and no rebates are given on imported inputs. The taxes refunded are the domestic indirect taxes (e.g., statistical tax, national fund for electricity tax, and stamp tax) imposed on local production.

All exporters are eligible to receive a rebate of indirect taxes under the Reintegro. There is no application process for the rebate because the provision of the rebate is automatic once the export is conducted and the shipping documents completed and examined by the customs authorities. During the POI, Clorindo was entitled to a rebate of 5.25 percent on each export of subject merchandise to the United States.<sup>5</sup> Exports of subject merchandise are classified under the Argentine tariff schedule subheading 7326.90.00.900J (Other Iron and Steel Manufactures).<sup>6</sup>

<sup>4</sup> The GOA established a rebate system in 1971, which was known as the Reembolso. Under the Reembolso, exporters could recover import duties and indirect taxes on items physically incorporated into the final product. In May 1991, the GOA issued Decree 1011/91, which renamed the Reembolso as the Reintegro, and modified the legal structure of the program. Under Decree 1011/91, the Reintegro rebates indirect taxes only. The Department has previously examined the Reintegro and Reembolso. See, e.g., *Final Affirmative Countervailing Duty Determination: Honey From Argentina*, 66 FR 50613 (October 4, 2001), and accompanying Issues and Decision Memorandum at “Argentine Internal Tax Reimbursement/Rebate Program (Reintegro);” and *Final Negative Countervailing Duty Determination: Certain Cold-Rolled Carbon Steel Flat Products From Argentina*, 67 FR 62106 (October 3, 2002), and accompanying Issues and Decision Memorandum at “Reintegro.”

<sup>5</sup> See Decree No. 509/2007 at Exhibit 1 of GOA supplemental questionnaire response (SQR) (May 28, 2009).

<sup>6</sup> See GOA initial questionnaire response (IQR) at 1 (April 24, 2009).

We preliminarily determine that the Reintegro confers a financial contribution in the form of a direct transfer of funds from the GOA to Clorindo under section 771(5)(D)(i) of the Act and that the Reintegro is specific under section 771(5A)(A) of the Act because it is contingent upon export performance.

To determine whether a benefit exists for a tax rebate program, the Department normally examines whether the amount remitted or rebated exceeds the amount of prior-stage cumulative indirect taxes paid on inputs consumed in the production of the exported subject merchandise, making normal allowances for waste. See 19 CFR 351.518(a)(2). If the amount rebated exceeds the amount of the prior-stage cumulative indirect taxes paid on inputs consumed in the production, the excess amount is a countervailable benefit. *Id.*

However, there is an exception to this rule under 19 CFR 351.518(a)(4)(i) and(ii), which states that the Department will consider the *entire* amount of the tax rebate or remission to confer a benefit unless: (1) The government in question has in place and applies a system or procedure to confirm which inputs are consumed in the production of the exported product and in what amounts, and to confirm which indirect taxes are imposed on these inputs, and the system or procedure is reasonable, effective for the purposes intended, and is based on generally accepted commercial practices in the country of export; or (2) If the government in question does not have a system or procedure in place, if the system or procedure is not reasonable, or if the system or procedure is instituted and considered reasonable, but is found not to be applied or not be applied effectively, the government in question has carried out an examination of actual inputs involved to confirm which inputs are consumed in the production of the exported product, in what amounts, and which indirect taxes are imposed on the inputs.

In our questionnaires, we asked the GOA to describe the system or procedure that it has in place to establish the appropriate level of Reintegro for the subject merchandise. The GOA stated that while it has no written procedures or guidelines for the operation of this rebate system, it does follow a methodology for establishing the Reintegro rates.<sup>7</sup> The GOA reported that it first identifies, based on industry chamber studies, all the inputs (national or import origin) and other items required to manufacture the product.

The GOA stated that it then determines on a percentage-wide basis the amount required of each input and establishes the average amount of each input required to manufacture the exported product. In addition, for each component and other items a cost structure provided by the suppliers is built-in to calculate the tax content for them.<sup>8</sup>

The GOA added that the industry chamber studies are supplemented by an Input-Output Matrix (IOM) administered by the Ministry of Economy. The IOM is a set of matrices (*i.e.*, supply, utilization, margins, transport, import, etc.) that reflect the interactions among different sectors of the Argentine economy. In addition, the GOA explained that there are fiscal matrices that show the taxes paid by each sector of the economy. Based on this methodology and the government's budgetary constraints, the GOA stated that the Ministries of Economy and Production set the Reintegro rebate rates.<sup>9</sup>

We asked the GOA to provide that portion of the IOM and fiscal matrices that are relevant to the subject merchandise or subheading 7326.90.00.09J. The GOA, however, did not submit the requested information, stating that such information is exclusively for internal use.<sup>10</sup> We also asked the GOA to explain how it concluded that the appropriate rate of rebate for subheading 7326.90.00.09J is 5.25 percent. The GOA stated that the only criterion which should be followed is that the rebate rate must not be higher than the percentage of the indirect tax incidence calculated by the industry chamber.<sup>11</sup>

Concerning the rebate rate for the subject merchandise, the GOA stated that it used the indirect tax incidence study prepared in 2002, by the Asociacion de Industriales Metalurgicos de la Republica Argentina (ADIMRA) for tariff subheading 7326.90.00.900J (Other Iron and Steel Manufactures).<sup>12</sup> In preparing its study, the GOA stated that ADIMRA researched a number of industries whose products are classified under this tariff subheading and gathered information from sector and regional enterprise chambers.<sup>13</sup> The study lists the inputs and other items required to produce products exported under the tariff subheading, which, in addition to Ni-resist piston inserts,

include such products as metallic boxes, stirrups, towel-heaters, ashtrays, and hooks.<sup>14</sup> The ADIMRA study calculated an indirect tax incidence of 5.35 percent.

In our questionnaires, we requested both the GOA and Clorindo to explain how the company's cost of production and indirect tax incidence data were incorporated into the ADIMRA study. Clorindo stated that it did not submit its table of indirect tax burden to any government agency or industry organization.<sup>15</sup> Clorindo reported that its table of indirect tax burden<sup>16</sup> was prepared in April 2009,<sup>17</sup> for the purpose of this investigation. The GOA stated that the ADIMRA study and Clorindo's table of indirect tax burden coincide with each other because the GOA provided a copy of an ADIMRA study to Clorindo which then calculated the tax incidence for its merchandise according to its own cost and productive structure.<sup>18</sup>

Because Clorindo, the only Argentine producer/exporter of Ni-resist piston inserts, did not provide information used in the ADIMRA 2002 study for tariff subheading 7326.90.00.900J, upon which the GOA relied to set the Reintegro rate, the ADIMRA study is neither representative of the cost structure for the subject merchandise nor reflective of the indirect taxes incurred in the production of the subject merchandise. The ADIMRA study is void of the actual inputs involved in the production of the subject merchandise to confirm which inputs are consumed in the production of Ni-resist piston inserts, in what amounts, and which indirect taxes are imposed on those inputs.

Therefore, the GOA's methodology for establishing the Reintegro rate by first identifying, based on industry chamber studies, all the inputs and other items required to manufacture the exported product, next calculating percentages and average amounts of each of those inputs, and then computing an approximate effective indirect tax incidence, failed to incorporate data for Ni-resist piston inserts. The identification of inputs and indirect tax incidence reported in the ADIMRA study are not reflective of and were not tested against Clorindo's actual information or experience. As such, we preliminarily determine that the 5.25 percent Reintegro rate set by the GOA

<sup>8</sup> *Id.* at 6.

<sup>9</sup> *Id.*

<sup>10</sup> See GOA SQR at 6 (May 28, 2009).

<sup>11</sup> *Id.* at 5.

<sup>12</sup> See GOA IQR at 7-8 (April 24, 2009).

<sup>13</sup> See GOA SQR at 4 (May 28, 2009).

<sup>14</sup> *Id.* at 5.

<sup>15</sup> See Clorindo SQR at 6 (June 1, 2009).

<sup>16</sup> *Id.* at Exhibit 8.

<sup>17</sup> *Id.* at 6.

<sup>18</sup> See GOA SQR at 3 (May 28, 2009) and at 1 (June 17, 2009).

<sup>7</sup> *Id.* at 5-6.

for the reimbursement of domestic indirect taxes for exported products under tariff subheading 7326.90.00.900] has no relationship to the actual production process and indirect taxes paid by Clorindo. We further preliminarily determine that the absence of cost of production and indirect tax incidence data for Ni-resist piston inserts in the government's Reintegro methodology demonstrates that the GOA lacks a system and procedure for the establishment of the appropriate level of Reintegro rebate applicable to exports of the subject merchandise.

Other than the ADIMRA study, the GOA did not provide any information to demonstrate that it carried out a reasonable examination of actual inputs involved to confirm which inputs are consumed in the production of Ni-resist piston inserts, in what amounts, and which indirect taxes are imposed on those inputs. The GOA reported that it does not conduct audits of companies which receive Reintegro rebates to confirm that the rebate rate assigned for a particular tariff subheading is appropriate.<sup>19</sup>

We, therefore, preliminarily determine that the GOA has not met the requirements for non-countervailability as set forth in 19 CFR 351.518(a)(4)(i) and (ii). As such, we preliminarily determine that the entire amount of the Reintegro rebate received by Clorindo for its exports of Ni-resist piston inserts to be countervailable. Because we preliminarily find the entire amount of the Reintegro for Ni-resist piston inserts to be countervailable, we need not address the Reintegro's countervailability under 19 CFR 351.518(a)(2).

Because the Reintegro is calculated as a percentage of the FOB value of the exports, the percentage rebated serves as the subsidy rate. Thus, we preliminarily determine that Reintegro provided a countervailable subsidy of 5.25 percent *ad valorem* to Clorindo during the POI.

#### B. Provincial Stamp Tax Exemption

The GOA and Clorindo reported that the company received stamp tax exemptions during the POI. The GOA stated that a stamp tax is applied to documented legal transactions, such as contracts, credit instruments, and property rights, and is administered by the provincial tax authority, which can also establish a stamp tax exemption.<sup>20</sup> On the record, however, there is conflicting information about the type of stamp tax exemption Clorindo received

and under which provincial law that exemption was provided.

In its June 17, 2009, questionnaire response at "Stamp Tax Exemptions in the Province of Santa Fe," the GOA reported that there are three stamp tax exemptions: (1) Article 183.29 of the Santa Fe Fiscal Code, which provides a full stamp tax exemption on (a) credits granted to finance import and export transactions and (b) currency exchange transactions subject to the specific tax on the purchase and sale of foreign currency; (2) Article 183.38 of the Santa Fe Fiscal Code, which provides a full tax stamp exemption on all active financial and related transactions, as well as insurance transactions, with financial and insurance entities, when related to mining, industrial, construction, and farming sectors; and (3) Law 11,257 of June 2005, which states that contracts not entitled to the benefits under Article 183.29 and Article 183.38 are subject to a 50 percent reduction of the stamp tax on the transaction value.

The GOA stated that there is no application process or special procedure to benefit from the stamp tax exemptions. The GOA explained that a transaction which meets the criteria established in Article 183.29 or 183.38 of the Fiscal Code or in Law 11,257 is automatically exempt (fully or partially, respectively) from the tax.<sup>21</sup> The GOA, however, did not provide a complete copy and translation of Article 183.29, Article 183.38, or Law 11, 257, which would outline the eligibility criteria of the laws.

In its May 6, 2009, questionnaire response, Clorindo reported that any industrial manufacturer located in the province of Santa Fe is fully exempt from the stamp tax (*i.e.*, 0.10 percent on the transaction value that is split between the transaction parties) and cited to Article 183.29 of the Santa Fe Fiscal Code.<sup>22</sup> Subsequently, in its June 1, 2009, questionnaire response, Clorindo reported that the stamp tax exemptions which it received for "import/export financing and approved credit agreements" were provided for under provincial Law 11,123, which exempts from the stamp tax all active financial and related transactions with financial and insurance entities when related to mining, industrial, construction, and farming sectors. The GOA in its June 17, 2009, questionnaire response stated that Law 11,123 modified the provincial tax and introduced Article 183.38 of the Santa

Fe Fiscal Code. Clorindo later reported, in its June 17, 2009, questionnaire response (at 2), that a certain portion of the total amount of the import/export financing and approved credit agreements was related to export transactions and/or export related contracts.

Based on the record evidence, we preliminarily find that Clorindo received a certain amount of stamp tax exemptions under Article 183.29. We preliminarily determine that the stamp tax exemptions provided under Article 183.29 are specific under section 771(5A)(A) of the Act because the exemptions are contingent upon export performance. We also preliminarily determine that a financial contribution is provided under section 771(5)(D)(ii) of the Act in the form of revenue foregone. A benefit is conferred in the form of a tax exemption.

To calculate the benefit, we divided that portion of Clorindo's stamp tax exemption related to export transactions and/or export related contracts by the company's total export sales value for 2008. On this basis, we preliminarily determine the net countervailable subsidy under this program to be 0.17 percent *ad valorem*.

At verification, we will seek further clarification of the laws under which the stamp tax exemptions are provided in Santa Fe, including eligibility criteria, and under which of the laws Clorindo received its stamp tax exemptions during the POI.

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

##### A. Provincial Turnover Tax Exemption

Article 160 (paragraph "n") of the Santa Fe Fiscal Code (Law 3456) established a turnover tax exemption for all the industrial activities and primary production of manufacturing companies located within the territory of Santa Fe Province.<sup>23</sup> The GOA described the turnover tax as a general tax, which is an "accumulative tax" because taxes are levied on goods and services (if not exempted) at each stage of the production process, whether subject to

<sup>23</sup> See GOA SQR at "Provincial Turnover Tax" (June 17, 2009). The GOA reported that the turnover tax exemption was first established by Provincial Decree 3848 of 1993, within the framework of the "Federal Pact for Employment, Production, and Economic Growth" (the Federal Pact). The Federal Pact was launched by the federal government aimed at fostering employment, production, and growth throughout the country. One of the main objectives of the Federal Pact was to modify the turnover tax exemption. The exemption was later modified and its current version is Article 160 (paragraph "n") of the Santa Fe Province Tax Code (Law 3456).

<sup>19</sup> See GOA SQR at 2 (June 17, 2009).

<sup>20</sup> See GOA SQR at 12 (May 28, 2009).

<sup>21</sup> See GOA at "Stamp Tax Exemption in the Province of Santa Fe" (June 17, 2009).

<sup>22</sup> See Clorindo IQR at 15 (May 6, 2009).

transformation or not. The turnover tax is levied on the total sales value.<sup>24</sup>

The turnover tax exemption is administered and regulated by the Tax Provincial Administration of the Government of Santa Fe. There is no application process or special procedure to benefit from the tax exemption. The GOA reported that any transaction that meets the criteria outlined in Article 160 (paragraph "n") of the Tax Code is automatically exempt from the tax. Eligibility for the tax exemption is not contingent upon export performance or use of domestic over imported goods and is not limited to certain enterprises or industries.

As a manufacturing company located in the province of Santa Fe, Clorindo was eligible for and received turnover tax exemptions on its domestic sales during the POI.<sup>25</sup> Specifically, Clorindo was exempt from paying the general tax rate of 1.50 percent for industrial activity in Santa Fe.<sup>26</sup>

We preliminarily determine that the turnover tax exemption provided under Article 160 of the Fiscal Code is not specific and, hence, does not provide a countervailable benefit. Information on the law provided by the GOA and Clorindo<sup>27</sup> demonstrates that the turnover tax exemption is available to all companies involved in industrial activities and manufacturing production within Santa Fe Province and, therefore, is not specific under section 771(5A)(D) of the Act.

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

We preliminarily determine that Clorindo did not apply for or receive benefits during the POI under the programs listed below:

- A. Subsidiary Fund for Regional Tariff Compensation to Final Users
- B. Banco de Inversion y Comercio Exterior S.A. (BICE) Pre-Export Financing
- C. BICE Post-Export Financing
- D. Banco de la Nacion Argentina (BNA) Pre-Export Financing to Small and Medium Size Enterprises (SMEs)
- E. BNA Pre-Export Financing under "Pre-Export Argentinas"
- F. BNA Export Financing to SMEs
- G. BNA Export Financing (for all exporters)
- H. BNA Investment Financing for SMEs under the Credit Lines to Assist SMEs

I. BNA Working Capital Credit under "Finance Companies to Exporters"

J. BNA Working Capital Credit to SMEs under Credit Lines to Assist SMEs

K. BNA Financing of Imports to SMEs under Credit Lines to Assist SMEs

L. BNA Import Financing under "Finance Companies to Exporters"

M. Repro (Production Recovery Plan)

N. Fund for Argentine Technology (FONTAR) Non-Repayable

Contributions

O. FONTAR Tax Credit Program

P. FONTAR Regional Credits

Q. FONTAR Credits to Enterprises for Technological Development

R. Fund for Scientific and

Technological Research (FONCyT)

Research-Oriented Science and

Technology (PICT)

S. FONCyT Research and Development Projects (PID)

### Verification

In accordance with section 782(i)(1) of the Act, we intend to verify the information submitted by Clorindo and the GOA prior to making our final determination.

### Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we have calculated an individual rate for Clorindo, the only company under investigation. We preliminarily determine the total estimated net countervailable subsidy rate is 5.42 percent *ad valorem*. The All Others rate is 5.42 percent *ad valorem*, which is the rate calculated for Clorindo.

In accordance with sections 703(d)(1)(B) and (2) of the Act, we are directing CBP to suspend liquidation of all entries of the subject merchandise from Argentina that are entered or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the **Federal Register**, and to require a cash deposit or bond for such entries of the merchandise in the amounts indicated above.

### ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Import Administration.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

### Disclosure and Public Comment

In accordance with 19 CFR 351.224(b), the Department will disclose to the parties the calculations for this preliminary determination within five days of its announcement. Case briefs for this investigation must be submitted no later than one week after the issuance of the last verification report. See 19 CFR 351.309(c) (for a further discussion of case briefs). Rebuttal briefs, which must be limited to issues raised in the case briefs, must be filed within five days after the deadline for submission of case briefs. See 19 CFR 351.309(d). A list of authorities relied upon, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department. Executive summaries should be limited to five pages total, including footnotes.

In accordance with 19 CFR 351.310(c), we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on this preliminary determination. Individuals who wish to request a hearing must submit a written request within 30 days of the publication of this notice in the **Federal Register** to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room 1870, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties will be notified of the schedule for the hearing and parties should confirm the time, date, and place of the hearing 48 hours before the scheduled time. Requests for a public hearing should contain: (1) Party's name, address, and telephone number; (2) the number of participants; and (3) to the extent practicable, an identification of the arguments to be raised at the hearing.

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.221(b)(4).

Dated: June 29, 2009.

**John M. Andersen,**

*Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.*

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<sup>24</sup> See GOA SQR at 13 (May 28, 2009).

<sup>25</sup> See Clorindo SQR at 15-17 (June 1, 2009).

<sup>26</sup> *Id.* at 17 and Clorindo SQR at 4 and Exhibit E (June 17, 2009).

<sup>27</sup> See GOA SQR at "Provincial Turnover Tax" (June 17, 2009) and Clorindo SQR at Exhibit C2 (June 17, 2009) and SQR at 15 (June 1, 2009).