products manufacturing facilities of the Hewlett-Packard Company, located in the San Jose, California, area (Subzone 18D), at the locations described in the application, and subject to the FTZ Act and the Board's regulations, including § 400.28.

Signed at Washington, DC, this 31st day of July 1998.

Joseph A. Spetrini,

Acting Assistant Secretary of Commerce for Import Administration, Alternate Chairman, Foreign-Trade Zones Board.

Attest:

Dennis Puccinelli,

Acting Executive Secretary.

[FR Doc. 98–22064 Filed 8–14–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

AGENCY: International Trade Administration, Commerce.

ACTION: Renewal of the Environmental Technologies Trade Advisory Committee.

SUMMARY: The delegate of the Secretary of Commerce renewed the Environmental Technologies Trade Advisory Committee (ETTAC). The renewal of the Committee is in accordance with the Federal Advisory Committee Act, 5 U.S.C. App. 2, and 41 CFR Parts 101–5.10 (1990), Federal Advisory Committee Management Rule.

The ETTAC was established by the Secretary of Commerce on May 31, 1994, to advise the Secretary of Commerce in his capacity as the Chairman of the Trade Promotion Coordinating Committee (TPCC), as well as other TPCC heads and officials on issues related to the export of environmental technologies.

The Committee functions as an advisory body in accordance with the Federal Advisory Committee Act. On October 22, 1994, the Congress passed the Jobs Through Trade Enhancement Act, 15 U. S.C. 4728(c). This Act mandated the creation of such an advisory committee on environmental technologies exports.

FOR FURTHER INFORMATION CONTACT: Sage Chandler, U.S. Department of Commerce, International Trade Administration, Trade Development, Office of Environmental Technologies Exports. (202) 482–5225.

Dated: August 6, 1998.

Carlos F. Montolieu,

Acting Deputy Assistant Secretary for Environmental Technologies Exports.

[FR Doc. 98–21942 Filed 8–14–98; 8:45 am]

BILLING CODE 3510–DR–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–475–819]

Certain Pasta From Italy: Final Results of Countervailing Duty Administrative Review

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

ACTION: Notice of final results of countervailing duty administrative review.

SUMMARY: On April 9, 1998, the Department of Commerce published in the **Federal Register** its preliminary results of the administrative review of the countervailing duty order on certain pasta from Italy for the period October 17, 1995 through December 31, 1996. For information on the net subsidy for each reviewed company, as well as for all non-reviewed companies, see the Final Results of Review section of this notice. We will instruct the Customs Service (Customs) to assess countervailing duties as detailed in the Final Results of Review section of this notice.

EFFECTIVE DATE: August 17, 1998.

FOR FURTHER INFORMATION CONTACT: Vincent Kane or Todd Hansen, AD/CVD Enforcement, Group I, Office 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–2815 or 482–1276, respectively.

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act (URAA), effective January 1, 1995 (the Act). The Department of Commerce (the Department) is conducting this administrative review in accordance with section 751(a) of the Act. All other references are to the Department's regulations at 19 CFR Part 351 et. seq. *Antidumping Duties; Countervailing Duties; Final Rule* 62 FR 27296 (May 19, 1997), unless otherwise indicated

Background

On July 24, 1996, the Department published in the **Federal Register** (61 FR 38544) the countervailing duty order on certain pasta from Italy.

In accordance with section 351.213(b) of our regulations, this review of the countervailing duty order covers the producers/exporters of the subject merchandise for which a review was specifically requested. They are: Audisio Industrie Alimentari S.r.L. (Audisio); the affiliated companies Delverde S.r.L., Tamma Industrie Alimentari di Capitanata, S.r.L., Sangralimenti S.r.L, and Pietro Rotunno S.r.L. (Delverde/Tamma); La Molisana Industrie Alimentari S.p.A. (La Molisana); and, Petrini S.p.A. (Petrini). The petitioners in this review are Borden, Inc., Hershey Foods Corp. and Gooch Foods, Inc. This review covers 23 programs.

Since the publication of the preliminary results on April 9, 1998 (*see Certain Pasta from Italy; Preliminary Results of Countervailing Duty Administrative Review* (63 FR 17372) (*Preliminary Results*), the following events have occurred: on May 11, 1998, petitioners and respondents Delverde/Tamma and La Molisana submitted case briefs; on May 12, 1998, Delverde/Tamma also submitted an addendum to the case brief, *i.e.*, a Table of Authorities; and, on May 18, 1998, respondents Audisio, Delverde/Tamma, La Molisana, Petrini and petitioners filed rebuttal briefs on May 18, 1998. The Department did not conduct a hearing in this review because one was not requested.

Scope of Review

The merchandise under review consists of certain non-egg dry pasta in packages of five pounds (or 2.27 kilograms) or less, whether or not enriched or fortified or containing milk or other optional ingredients such as chopped vegetables, vegetable purees, milk, gluten, diastases, vitamins, coloring and flavorings, and up to two percent egg white. The pasta covered by this scope is typically sold in the retail market, in fiberboard or cardboard cartons or polyethylene or polypropylene bags, of varying dimensions.

Excluded from the scope of this review are refrigerated, frozen, or canned pastas, as well as all forms of egg pasta, with the exception of non-egg dry pasta containing up to two percent egg white. Also excluded are imports of organic pasta from Italy that are accompanied by the appropriate certificate issued by the Instituto

Mediterraneo Di Certificazione, by Bioagricoop Scrl, or by QC&I International Services. Furthermore, multicolored pasta imported in kitchen display bottles of decorative glass, which are sealed with cork or paraffin and bound with raffia, is excluded from the scope of this review.

The merchandise under review is currently classifiable under item 1902.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this review is dispositive.

Furthermore, on July 30, 1998, the Department issued a scope ruling that multipacks consisting of six one-pound packages of pasta, which are shrinked wrapped into a single package, are within the scope of the order.

Period of Review

The period of review (POR) for which we are measuring subsidies is from October 17, 1995, through December 31, 1996. Because it is the Department's practice to calculate subsidy rates on an annual basis, we calculated a 1995 rate and a 1996 rate for each company under review. (For further discussion, see Comments 1 and 5 below.)

Subsidies Valuation Information

Benchmarks for Long-term Loans and Discount Rates: The companies under review did not take out long-term, fixed-rate, lira-denominated loans or other debt obligations which could be used as benchmarks in any of the years in which grants were received or government loans under review were given. Therefore, we used the Bank of Italy reference rate, adjusted upward to reflect the mark-up an Italian commercial bank would charge a corporate customer, as the benchmark interest rate for long-term loans and as the discount rate for years prior to 1995. In the *Preliminary Results,* we used as our benchmark for 1995 and 1996, the average long-term interest rate available in Italy based upon a survey of 114 Italian banks reported by the Banca d'Italia , the Italian central bank. However, in the *Final Affirmative Countervailing Duty Determination; Certain Stainless Steel Wire Rod from Italy,* 63 FR 40474, 40477, (July 29, 1998) (*SSWR from Italy*), the Department determined, based on information gathered during verification, that the Italian Interbank Rate (ABI) is the most suitable benchmark for long-term financing to Italian companies. Accordingly, we have changed the 1995 and 1996 benchmark interest rates used in these final results. Specifically, consistent with *SSWR from Italy,* we have used the ABI interest rate for 1995 and 1996 increased by the average spread charged by banks on loans to commercial customers. For a further discussion of the interest rates used in these final results. *See* Memorandum to File from Team, ''Calculation Memorandum for Final Results—Interest Rates,'' dated August 7, 1998.

Allocation Period: In *British Steel plc.* v. *United States,* 879 F.Supp. 1254, 1289 (CIT 1995), the U.S. Court of International Trade (the Court) ruled against the allocation methodology for non-recurring subsidies that the Department had employed for the past decade, which was articulated in the *General Issues Appendix,* appended to the *Final Countervailing Duty Determination; Certain Steel Products from Austria,* 58 FR 37225 (July 9, 1993) (*GIA*). In accordance with the Court's remand order, the Department determined that the most reasonable method of deriving the allocation period for non-recurring subsidies is a company-specific average useful life (AUL) of non-renewable physical assets. This remand determination was affirmed by the Court on June 4, 1996. *See British Steel plc* v. *United States,* 929 F.Supp 426, 439 (CIT 1996).

For non-recurring subsidies received prior to the POR and which have already been countervailed based on an allocation period established in the investigation, it is neither reasonable nor practicable to reallocate those subsidies over a different period of time. Therefore, for purposes of these final results, the Department is using the original allocation period assigned to each non-recurring subsidy received prior to the POR. This conforms with our approach in *Certain Carbon Steel Products from Sweden; Final Results of Countervailing Duty Administrative Review,* 62 FR 16549 (April 7, 1997).

For non-recurring subsidies that were not countervailed in the original investigation, each company under review submitted an AUL calculation based on depreciation and value of productive assets reported in its financial statements. Each company's AUL was derived by dividing the sum of average gross book value of depreciable fixed assets over the past ten years by the average depreciation charges over this period. We found this calculation to be reasonable and consistent with our company-specific AUL objective. We have used these calculated AULs for the allocation period for non-recurring subsidies received during the POR and those non-recurring subsidies received prior to the POR, which were not countervailed in the investigation.

Benefits to Mills: In cases where semolina (the input product to pasta) and the subject merchandise were produced within a single corporate entity, the Department has found that subsidies to the input product benefit total sales of the corporation, including sales of the subject merchandise, without conducting an upstream subsidy analysis. (*See, e.g., Final Affirmative Countervailing Duty Determination: Certain Softwood Lumber Products from Canada* (57 FR 22570); *Final Affirmative Countervailing Duty Determination: Industrial Phosphoric Acid from Israel* (52 FR 25447); *Final Affirmative Countervailing Duty Determination: Certain Pasta from Italy* (61 FR 30288, 30292) (*Pasta from Italy*)). This practice was upheld by the Court in *Delverde S.r.L.* v. *United States,* 989 F. Supp. 218 (CIT 1997) (*Delverde*). In accordance with our past practice, where the companies under review purchase their semolina from a separately incorporated company, whether or not they are affiliated, we have not included subsidies to the mill in our calculations. However, for those companies where the mill is not separately incorporated from the producer of the subject merchandise, we have included subsidies for the milling operations in our calculations. Where appropriate, we have also included sales of semolina in calculating the ad valorem subsidy rate.

Changes in Ownership

One of the companies under review, Delverde/Tamma, purchased an existing pasta factory from an unrelated party. The previous owner of the purchased factory had received non-recurring countervailable subsidies prior to the transfer of ownership, which took place in 1991. We have calculated the amount of the prior subsidies that passed through to Delverde/Tamma with the acquisition of the factory, following the spin-off methodology described in the Restructuring section of the *GIA,* 58 FR at 37265. (For further discussion, see Comment 4 below.)

Petrini, another of the companies under review, is controlled by two members of the Petrini family, who hold a majority-ownership interest in the company. During the period 1988 through 1994, Petrini acquired and absorbed a number of affiliated companies, including one which produced pasta. All but one of these affiliated companies were wholly-owned by members of the Petrini family prior to their acquisition by Petrini; the remaining company was majority-

owned by the Petrini family. Prior to the ownership restructurings, several of these companies, other than the pasta company, received non-recurring countervailable subsidies.

The Department does not consider internal corporate restructurings that transfer or shuffle assets among related parties to constitute a ''sale'' for purposes of evaluating the extent to which subsidies pass from one party to another. (*See,* the Restructuring section of the *GIA,* 58 FR at 37266.) Therefore, we did not apply the methodology from the Restructuring section of the *GIA* to these subsidies. Instead, we have attributed all of the non-recurring subsidies received prior to the restructurings to Petrini, the only remaining corporate entity.

To determine whether the benefit of any of these subsidies extended to the subject merchandise, we examined whether these subsidies, specifically loans and grants pursuant to Law 64/86, should be considered tied or untied. We have determined that the subsidies in question are tied to the production of products other than pasta. For a detailed discussion of this issue, please see Comment 2 below.

Affiliated Parties

In the present review, we have examined several affiliated companies (within the meaning of section 771(33) of the Act) whose relationship may be sufficient to warrant treatment as a single company. In the countervailing duty questionnaire, consistent with our past practice, the Department defined companies as sufficiently related where one company owns 20 percent or more of the other company, or where companies prepare consolidated financial statements. The Department also stated that companies may be considered sufficiently related where there are common directors or one company performs services for the other company. According to the questionnaire, such companies that produce the subject merchandise or that have engaged in certain financial transactions with the company subject to review are required to respond.

In the *Preliminary Results,* and consistent with our determination in the original investigation, we have treated Delverde S.r.L., Tamma Industrie Alimentari, S.r.L., Sangralimenti S.r.L., and Pietro Rotunno, S.r.L. as a single company with a combined rate. We did not receive any comments on this treatment from the interested parties, and our review of the record has not led us to change this determination.

Analysis of Programs

I. Programs Previously Determined to Confer Subsidies

A. Local Income Tax (ILOR) Exemptions

Delverde/Tamma claimed an ILOR tax exemption on income tax returns filed during the POR. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: Delverde/Tamma in 1995–0.01 percent *ad valorem* and in 1996–0.01 percent *ad valorem*.

B. Industrial Development Grants Under Law 64/86

La Molisana and Delverde/Tamma benefitted from industrial development grants during the POR. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. Our review of the record and our analysis of the comments submitted by the interested parties, summarized below in Comment 2, have not led us to change our findings for Delverde/Tamma and Petrini. We did, however, change our calculations for Delverde/Tamma and La Molisana from the *Preliminary Results* because we reassessed the 1995 and 1996 benchmark interest rates as described in the *Subsidies Valuation Information* section above. In addition, we further changed our calculations for La Molisana. For a discussion of these changes, see the Department's Position in Comment 6 below, which explains our modification of the net subsidy calculations for La Molisana. Accordingly, the net subsidies for this program have changed from the *Preliminary Results* and are as follows: La Molisana in 1995–0.76 percent *ad valorem* and in 1996–1.17 percent *ad valorem* and Delverde/Tamma in 1995–2.25 percent *ad valorem* and in 1996–2.47 percent *ad valorem*.

C. Industrial Development Loans Under Law 64/86

Delverde/Tamma and La Molisana received industrial development loans with interest contributions from the Government of Italy (GOI). In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. Our review of the record and our analysis of the comment submitted by petitioners, summarized below in Comment 2, have not led us to change our findings or calculations from the *Preliminary Results.* Accordingly, the net subsidies for this program remain unchanged and are as follows: La Molisana in 1995–0.36 percent *ad valorem* and in 1996–0.24 percent *ad valorem* and Delverde/Tamma in 1995–0.71 percent *ad valorem* and in 1996–0.64 percent *ad valorem*.

D. Export Marketing Grants Under Law 304/90

Delverde/Tamma received a grant under this program for a market development project in the United States. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings. We did, however, change our calculations for Delverde/Tamma from the *Preliminary Results* because we reassessed the 1995 and 1996 benchmark interest rates as described in the *Subsidies Valuation Information* section above. Accordingly, the net subsidies for this program have changed from the *Preliminary Results* and are as follows: Delverde/Tamma in 1995–0.13 percent *ad valorem* and in 1996–0.35 percent *ad valorem*.

E. Lump-Sum Interest Payment Under the Sabatini Law for Companies in Southern Italy

In the *Preliminary Results* and in the original investigation, we found that benefits to operations in the Mezzogiorno under this program conferred countervailable subsidies on the subject merchandise. Our review of the record and our analysis of the comments submitted by the interested parties, summarized below in Comments 3 and 5, have not led us to change our findings or calculations for La Molisana. Accordingly, the net subsidy for this program remains unchanged from the *Preliminary Results* and is as follows: for La Molisana in 1995–0.05 percent *ad valorem*.

F. Social Security Reductions and Exemptions

1. *Sgravi benefits.* Delverde/Tamma and La Molisana received countervailable social security reductions and exemptions during the POR. In the *Preliminary Results* and in the original investigation, we found that

this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: Delverde/Tamma in 1995–1.23 percent *ad valorem* and in 1996–0.91 percent *ad valorem* and La Molisana in 1995–0.90 percent *ad valorem* and in 1996–0.70 percent *ad valorem*.

2. *Fiscalizzazione benefits.* Delverde/Tamma and La Molisana received the higher levels of fiscalizzazione deductions available to companies located in the Mezzogiorno during the POR. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: Delverde/Tamma in 1995–0.44 percent *ad valorem* and in 1996–0.20 percent *ad valorem* and La Molisana in 1995–0.64 percent *ad valorem* and in 1996–0.38 percent *ad valorem*.

3. *Law 407/90 benefits.* Delverde/Tamma received the higher level of Law 407 deductions available to companies located in the Mezzogiorno during the POR. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: Delverde/Tamma in 1995–0.00 percent *ad valorem* and in 1996–0.00 percent *ad valorem*.

4. *Law 863 Benefits.* Delverde/Tamma and La Molisana received the higher level of Law 863 deductions available to companies located in the Mezzogiorno during the POR. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: Delverde/Tamma in 1995—0.05 percent *ad valorem* and in 1996—0.11 percent *ad valorem* and La Molisana in 1996—0.03 *ad valorem*.

G. Remission of Taxes on Export Credit Insurance Under Article 33 of Law 227/77

La Molisana obtained export credit insurance under this program for its exports to the United States and, therefore, was exempted from the insurance tax. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: La Molisana in 1995—0.04 percent *ad valorem* and in 1996—0.04 percent *ad valorem*.

H. European Social Fund

Delverde/Tamma received European Social Fund grants. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: for Delverde/Tamma in 1995—0.04 percent *ad valorem*.

I. Export Restitution Payments

Delverde/Tamma, La Molisana, Audisio and Petrini received export restitution payments during the POR on shipments of subject merchandise to the United States. In the *Preliminary Results* and in the original investigation, we found that this program conferred countervailable subsidies on the subject merchandise. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: Delverde/Tamma in 1995—0.23 *ad valorem* and in 1996—0.19 percent *ad valorem*, La Molisana in 1995—0.08 percent *ad valorem* and in 1996—0.07 percent *ad valorem*, Petrini in 1995—2.27 percent ad valorem and in 1996—0.00 percent *ad valorem*, and Audisio in 1995—7.78 percent *ad valorem* and in 1996—0.00 percent *ad valorem*.

J. Grant Received Pursuant to the Community Initiative Concerning the Preparation of Enterprises for the Single Market (PRISMA)

La Molisana received a PRISMA grant in 1996. In the *Preliminary Results*, we determined that this program conferred a countervailable subsidy because the grant represented a transfer of funds from the administering government, provided a benefit in the amount of the grant, and was limited to firms located in a designated geographic region. We did not receive any comments on this program from the interested parties, and our review of the record has not led us to change our findings or calculations. Therefore, we find this program to be a countervailable subsidy within the meaning of section 771(5) of the Act. Accordingly, the net subsidies for this program remain unchanged from the *Preliminary Results* and are as follows: La Molisana in 1995—0.00 percent *ad valorem* and in 1996—0.10 percent *ad valorem*.

II. Programs Determined To Be Not Used

In the *Preliminary Results*, we determined that the producers and/or exporters of the subject merchandise did not apply for or receive benefits under the following programs during the POR:

A. VAT Reductions
B. Export Credits Under Law 227/77
C. Capital Grants Under Law 675/77
D. Retraining Grants Under Law 675/77
E. Interest Contributions on Bank Loans Under Law 675/77
F. Interest Grants Financed by IRI Bonds
G. Preferential Financing for Export Promotion Under Law 394/81
H. Corporate Income Tax (IRPEG) Exemptions
I. European Agricultural Guidance and Guarantee Fund
J. Urban Redevelopment Under Law 181

We did not receive any comments on these programs from the interested parties, and our review of the record has not led us to change our findings from the *Preliminary Results*.

Analysis of Comments

Comment 1: Assessment Rate

The petitioners argue that the Department should calculate a single countervailing duty rate for the entire POR based on the average of each company's rates for 1995 and 1996. The petitioners, citing to *Certain Cut-to-Length Carbon Steel Plate from Sweden: Final Results of Countervailing Duty Administrative Review*, 61 FR 5381

(August 24, 1995) (*Plate from Sweden*), state that the Department has exercised its discretion in previous administrative reviews and calculated a single countervailing duty rate where the POR was more than 12 months. The petitioners also cite to *Fresh Cut Roses from Israel: Final Results of Administrative Review of Countervailing Duty Order*, 48 FR 36635 (August 12, 1983) (*Roses from Israel*) and *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Final Results of Countervailing Duty Administrative Review*, 62 FR 53306 (October 14, 1997) (*UK Bar—1995*) as examples of other cases where the Department has calculated assessment rates for periods that were not calendar years.

The petitioners note that the Department calculated subsidy rates of zero for calendar year 1996 for respondents Petrini and Audisio, while these respondents' subsidy rates for 1995 were 2.27 and 7.78 percent, respectively. The petitioners contend that because of the Department's methodological decision, Petrini and Audisio are able to avoid paying countervailing duties on all entries of subject merchandise that occurred during 1996 and will have deposit rates set at zero for future entries. Petitioners argue that a single rate for each respondent for the entire review period results in a better measure of subsidization for the period from October 17, 1995 through December 31, 1996, *i.e.*, the POR.

The petitioners further argue that calculating a single rate for each respondent would be more administratively feasible and would minimize potential confusion for Customs officials and interested parties.

Respondent Delverde/Tamma argues that with their proposed methodology, petitioners are simply seeking to offset the fact that the respondents were subsidized at lower rates in 1996 than in 1995. Delverde/Tamma notes that, unsurprisingly, there were more entries of pasta during the eight months in 1996 than during the two and one-half months during 1995 when entries of subject merchandise were subject to suspension of liquidation. Thus, Deleverde/Tamma notes, the methodology recommended by the petitioners would result in excessive countervailing duties being assessed on POR entries. Further, petitioners' proposed methodology would result in higher deposit rates for estimated countervailing duties than the known rate of subsidization in 1996. Accordingly, Delverde/Tamma argues that the petitioners' proposed methodology is punitive, and hampers the respondent's ability to compete by forcing the respondent to deposit more duties than the current rate of subsidization.

Respondents Audisio, Petrini and La Molisana argue that the petitioners are trying to characterize as ''Department practice'' a few exceptions in past cases with unique circumstances. Audisio, Petrini and La Molisana note that in *Plate from Sweden*, the Department calculated a single rate for calendar year 1993, and applied this rate to entries from December 7, 1992 through December 31, 1993. The respondents note that in *Plate from Sweden* the portion of the POR that fell into calendar year in 1992 was only three weeks, so the Department applied the 1993 rate to these 1992 entries. Audisio, Petrini and La Molisana argue that if the Department were to follow the precedent of *Plate from Sweden* in the instant review, the rate for 1996 (*i.e.*, zero for Petrini and Audisio) would also apply to 1995 entries.

Audisio, Petrini and La Molisana further note that the other cases cited by the petitioners involved unique circumstances. In *Roses from Israel*, the Department explained that it used the growing season for roses rather than a calendar year and *UK Bar-1995* involved the unusual situation where a previously spun-off subsidiary was reacquired during the POR.

Petrini and Audisio cite to *Carbon Black from Mexico; Final Results of Countervailing Duty Administrative Review*, 55 FR 51745 (December 17, 1990), *Carbon Steel Wire Rod from Malaysia; Final Results of Countervailing Duty Administrative Reviews*, 56 FR 41649 (August 22, 1991), and *Carbon Steel Butt-Weld Pipe Fittings from Thailand; Final Results of Countervailing Duty Administrative Review*, 57 FR 5248 (February 13, 1992) as just a few examples of numerous past first reviews where the Department calculated separate CVD rates for periods spanning more than one calendar year and then used only the latter rate as the cash deposit rate for subsequent entries.

Audisio, Petrini and La Molisana further argue that the petitioners' contention that a blended rate would be more administratively feasible is insupportable, as the Department has already calculated two rates and Customs is fully capable of assessing duties based on the entry date. Petrini and Audisio note that Customs does not have any exceptional difficulty in administering liquidation instructions for antidumping administrative reviews where duties vary entry-by-entry.

Department's Position: Section 351.213 (e)(2)(ii) of the Department's regulations state that in a first administrative review, the POR will cover imports ''during the period from the date of suspension of liquidation under this part . . . to the end of the most recently completed calendar or fiscal year. . . .'' There is no indication in the regulations that where the review period in a first review covers more than one year, the Department will calculate a single rate to cover the entire period or two separate rates for each calendar year falling in the POR. In the cases cited by Petrini and Audisio, as well as several other first reviews (*see, e.g., Certain Apparel From Argentina; Final Results of Countervailing Duty Administrative Review*, 53 FR 1053 (January 15, 1988)) the Department has calculated separate rates for each calendar year. In certain exceptional circumstances, such as *Plate from Sweden* and *Pure and Alloy Magnesium From Canada: Final Results of the First (1992) Countervailing Duty Administrative Reviews*, 62 FR 13857 (March 24, 1997) where the review period fell into two calendar years and the portion falling in the first calendar year was only a few weeks, the Department did not calculate a rate for the first calendar year and liquidated all entries at the rate calculated for the second calendar year.

In the review at hand, 10 weeks of the POR fall in the first calendar year. Additionally, the differences in rates between the two calendar years are significant for certain respondents. Accordingly, we have followed our normal practice and calculated two different assessment rates. The deposit rate is the rate calculated for the most recently completed calendar year included in the POR, *i.e*, 1996. Given the information collected, there is no additional administrative burden to the Department in calculating two rates. Also, since this is our normal practice for countervailing duty proceedings, Customs should have little difficulty following our assessment instructions.

Comment 2: Attribution of Subsidies Received by Petrini

The petitioners maintain that the Department's practice of attributing subsidies where there is cross-ownership requires the attribution of Law 64 grants and loans to all of Petrini's production including pasta production. According to the petitioners, the fact that the restructuring of these companies was preliminarily found by the Department to have no effect on the countervailability of previously

bestowed subsidies indicates that the various companies of the Petrini group are both cross-owned and closely related companies. Because of this cross-ownership and high degree of relationship, the Petitioners argue that subsidies should be attributed to all of Petrini's production, regardless of whether these subsidies were bestowed on a particular facility in a particular region. The petitioners assert that the fact that Petrini prepared consolidated financial statements requires the Department to attribute subsidies received in the South, whether tied or untied, to the company as a whole. The petitioners further assert that the Department should choose attribution over ''tying'' in situations involving cross-ownership.

Petrini, in rebuttal, asserts that all of its subsidies are tied to either subject pasta or non-subject products, but not to both. The respondent cites section 351.524(b)(5)(i) of the Department's proposed rules stipulating that where a subsidy is tied to production of a particular product, the subsidy will be attributed to that product. Petrini contends that all of its Law 64 subsidies are clearly tied to non-subject merchandise.

Petrini refers to the one exception to the Department's treatment of tied subsides which arises when a company producing an input to one of its products receives a subsidy tied to the input. (*See* section 351.524(b)(5)(ii) of the Department's proposed regulations.) In this case, the subsidy is attributed to both the input and the final product. Petrini states that the record clearly shows that its companies in the Mezzogiorno do not produce inputs for the subject merchandise and, in addition, are separately incorporated companies. Petrini asserts that the Department attributes input subsides to the input and the final product only when both are produced by the same company.

Petrini notes that section 351.524(b)(6)(i) provides that the Department will attribute a subsidy received by a company and tied to a particular product to that product produced by the company and by any other company sharing cross-ownership with that company. Petrini states that none of the former companies that were merged into Petrini produced pasta.

Finally, Petrini maintains that no loans were provided or financial transactions conducted between any of the former companies and Petrini.

Department's Position: The Department will normally attribute a subsidy received by a corporation to the products produced by that corporation. Hence, for example, if corporation A receives a subsidy, then that subsidy will normally be attributed to the production of corporation A. In cases where a subsidy is tied to the production of a particular product, however, the Department attributes the subsidy to that product rather than to all of the products produced by a company. (*See e.g. Industrial Nitrocellulose from France; Final Results of Countervailing Duty Administrative Review,* 52 FR 833, 834 (January 9, 1987)).

Law 64 grants and loans are typically provided for plant construction and the purchase of equipment dedicated to the production of specific products. Applications and award documents clearly describe the type of plant and equipment to be purchased with Law 64 funds. To ensure that these grants and loans are used as intended, the GOI audits the use of Law 64 benefits. Thus, we conclude that Law 64 benefits normally are tied to specific products.

The approval documents for the Law 64 grants and loans in question show that they were tied at the point of bestowal to the production of non-subject merchandise which is not connected in any way to subject merchandise. Consequently, they do not benefit, either directly or indirectly, Petrini's pasta production.

Comment 3: Sabatini Law—Specificity

In the original investigation, the Department concluded that benefits provided in northern Italy under the Sabatini Law were not specific and, therefore, not countervailable. In its *Preliminary Results,* the Department found that petitioners had provided no new information which would warrant reconsideration of this determination. Petitioners claim that they should not be required to provide the information which would warrant a reconsideration of the determination. They maintain that this type of information is not available to them and that the Department should require the GOI to supply the information, which would enable the Department to determine whether Sabatini Law benefits in the North during the POR continued to be non-specific or whether a disproportionate share was received by pasta companies. Because the GOI failed to supply this information, the petitioners maintain that the Department should find Sabatini benefits to be specific to the pasta industry in the North and should countervail the lump sum payments received by Audisio and Petrini under this program.

Petrini claims that the Department's practice regarding programs found to be not countervailable has been to re-examine these programs only if new information warrants such re-examination.

Department's Position: We agree with Petrini. In the original investigation, Sabatini Law benefits were found to be widely distributed and benefitting many companies representing a broad cross section of industries throughout Italy. Absent information that changes have occurred which would significantly alter this benefit distribution pattern, the Department sees no compelling reason to re-open the question of specificity. The Department has consistently followed this practice regarding programs previously found not countervailable. *See, e.g., Preliminary Countervailing Duty Determinations and Alignment of final Countervailing Duty Determinations with Final Antidumping Duty Determinations: Certain Steel Products from Belgium,* 57 FR 57750, 57758 (December 7, 1992) and *Preliminary Affirmative Countervailing Duty Determinations: Extruded Rubber Thread from Malaysia,* 56 FR 67276, 67280 (December 30, 1991).

Comment 4: Privatization

Respondent Delverde/Tamma argues that the formula used by the Department for reallocating benefits upon change of ownership in the *Preliminary Results,* has been held unlawful by the Court in *Delverde.* Delverde/Tamma notes that the Court in *Delverde* found that the Department had failed to follow the instructions on page 258 of the Statement of Administrative Action (SAA) that the Department ''must exercise the discretion {afforded to it by new section 771(5)(F) of the Act} carefully through its consideration of the facts of each case.'' According to Delverde/Tamma, the Department's automatic application of its spin-off methodology to allocate subsidies received by the previous owner of Delverde/Tamma's pasta factory to Delverde/Tamma in this review is contrary to these instructions in the SAA.

Delverde/Tamma argues that it purchased the pasta factory at arm's length and at fair market value from an unrelated private party. Accordingly, Delverde/Tamma argues, it did not benefit from the subsidies received by the previous owners. Delverde/Tamma further contends that the definition of ''benefit'' resulting from the URAA amendments requires that the financial contribution accrues to a *person* (meaning a commercial entity) who receives funds from the government, rather than the merchandise. Delverde/

Tamma argues that because the previous owners of Delverde's pasta factory received the subsidy grants, the benefit cannot be attributed to pasta produced by Delverde/Tamma.

The petitioners note that the Court's opinion in *Delverde* is not final and, therefore, is not binding. Further, the petitioners note that the Department has continued to follow the GIA methodology in other cases subsequent to the issuance of the Court's opinion in *Delverde*. The petitioners argue that Delverde/Tamma is incorrect in its assertion that the Department must change its methodology, citing to *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom; Final Results of Countervailing Duty Administrative Review*, 63 FR 18367, 18371 (April 15, 1998) (*UK Bar—1996*) where, in reply to a similar argument, the Department stated:

> In its opinion in *Delverde*, the CIT did not overturn the Department's methodology. It only directed the Department, on remand, to provide a fuller explanation of its methodology and how it applied it to the facts of the change of ownership transaction at issue. While the CIT did present its views regarding many of the issues that it wanted the Department to address when explaining its methodology, it did not, however, order the Department to adopt any of its views.

The petitioners further note that Delverde/Tamma has provided no new information concerning its change of ownership. Accordingly, there is no basis for the Department to reexamine its decision in *Pasta from Italy*. The petitioners argue that the Department must continue to apply the restructuring methodology outlined in the GIA to determine the amount of subsidies that passed through to Delverde/Tamma following its purchase of the pasta factory from the previous owners.

Department's Position: As we explained in *UK Bar—1996*, we continued to follow the methodology applied in the investigation and provided the CIT with the full explanations that it had requested in the remand redetermination in *Delverde* filed on April 2, 1998. Thus, for these final results, the Department similarly has not made any changes to its methodology based on the *Delverde* opinion. The arguments which Delverde/Tamma raises in this comment are addressed fully in the April 2, 1998 remand determination and we stand by our response therein.

Comment 5: Sabatini Loan

La Molisana argues that the Department should not have included benefits from a Sabatini loan that was repaid in August 1995, as there was no cash-flow effect during the POR. La Molisana, citing to *Final Negative Countervailing Duty Determination: Certain Laminated Hardwood Flooring from Canada*, 62 FR 5201, 5210 (February 4, 1997), notes that it is the Department's practice to countervail benefits from long-term loans as having occurred at the time the firm would be scheduled to make a payment on the benchmark loan. Because La Molisana's Sabatini loan was not outstanding on October 17, 1995 (*i.e.*, the beginning of the POR), La Molisana argues that there was no benefit from this loan during the POR.

Petitioners argue that La Molisana is mistaken, and that it has ignored the fact that the Department has used the firm's total annual sales for calendar year 1995 to allocate benefits. The petitioners note that in virtually every instance where the Department allocates benefits from non-recurring grants and long-term loans, it does so on a yearly basis. The petitioners assert that many subsidies do not result in a cash-flow effect in each month of the POR, but it would not be practicable for the Department to allocate benefits from programs on a less-than-annual basis.

Department's Position: When calculating a subsidy rate, the Department measures subsidies for an entire year. The Department uses annual figures because firms tend to close their books at the end of a year, enabling a verifiable cut-off date. *See Fabricated Automotive Glass From Mexico; Final Results of Countervailing Duty Administrative Review*, 51 FR 44652, 44654 (December 11, 1986). Additionally, the proposition of tracing benefits to specific entries of merchandise is not practicable. Where a firm receives a grant in December, for example, the benefit from that grant is still applied to entries throughout the year, including those entries made prior to the receipt of the grant. *See, e.g., Final Affirmative Countervailing Duty Determinations; Certain Carbon Steel Products from France*, 47 FR 39332, 39343 (September 7, 1982):

> We compute benefits received by a firm during a period of time (in this case the [1981] calendar year) and apply them to the total value of sales for the same period. We do not make adjustments for the fact that a particular benefit was received earlier or later in the year for which we are measuring subsidization. Throughout these steel determinations we have not tied any subsidy to any time period shorter than a year. * * * Any other approach would not only be unnecessary as a matter of law, it would be administratively impossible, given the information and the time available.

See, also, Final Affirmative Countervailing Duty Determination; Certain Agricultural Tillage Tools From Brazil, 50 FR 34525, 34534 (August 26, 1985).

Similarly, where a loan is repaid in the middle of a respondent's accounting year, the Department applies the allocated benefit amount from that loan to all entries during that year. Accordingly, we have included allocated benefits from the grant equivalent calculated for La Molisana's Sabatini loan in our calculation of La Molisana's subsidy rate for calendar year 1995.

Comment 6: Calculation of Benefit for Industrial Development Grant Received in 1996

La Molisana comments that the Department erred when it calculated a benefit in 1995 from an Industrial Development Grant that was not received until 1996. La Molisana notes that this error can be corrected by excluding the benefit amount calculated for 1995 from the calculation of La Molisana's subsidy rate for that year.

The petitioners argue that the Department did not err in its calculation of the benefit amount, but erred in allocating the benefit for 1996 to 1995. The petitioners argue that the Department should not delete the 1995 benefit amount as suggested by La Molisana, but should apply this amount to 1996 instead of 1995. The petitioners argue that applying the smaller amount of benefit for 1996 shown in the preliminary calculations would result in an understatement of the benefit for 1996.

Department's Position: We agree with La Molisana that we erred in our calculations by applying a benefit to 1995 sales for a grant that was received in 1996. Contrary to the petitioners' assertion, we had correctly calculated the 1996 benefit amount, although this amount has changed slightly due to the change in the discount rate, as described in the Benchmarks for Long-term Loans and Discount Rates section of this notice, *supra*.

Final Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to this administrative review. For the periods October 17, 1995, through December 31, 1995, January 1, 1996, through February 13, 1996, and July 24, 1996, through December 31, 1996, we determine the net subsidy rates for producers/exporters under review to be those specified in the chart shown below. (In

accordance with section 703(d) of the Act, countervailing duties will not be assessed on entries made during the period February 14, 1996, through July 23, 1996.)

AD VALOREM RATE

Producer/exporter	10/17/95 to 12/31/95	01/01/96 to 02/13/96 and 07/24/96 to 12/31/96
Delverde, S.r.L.	5.09	4.88
La Molisana Alimentari S.p.A	2.83	2.73
Tamma Industrie Alimentari di Capitanata, S.r.L.	5.09	4.88
Petrini S.p.A.	2.27	0.00
Audisio Industrie Alimentari S.r.L.	7.78	0.00

We will instruct Customs to assess countervailing duties as indicated above. The Department will also instruct Customs to collect cash deposits of estimated countervailing duties in the percentage detailed above of the f.o.b. invoice prices on all shipments of the subject merchandise from the producers/exporters under review, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. Requested reviews will normally cover only those companies specifically named. *See* 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was not requested, duties must be assessed at the cash deposit rate in effect at the time of entry of the subject merchandise and cash deposits must continue to be collected at the previously ordered rate. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant to a request for a review of that company. *See, Federal-Mogul Corporation and The Torrington Company* v. *United States,* 822 F.Supp. 782 (CIT 1993) and *Floral Trade Council* v. *United States,* 822 F.Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR 355.22(g), the predecessor to 19 CFR 351.212(c)). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review.

We will instruct Customs to continue to collect cash deposits for non-reviewed companies, except Barilla G. e R. F.lli S.p.A. (Barilla) and Gruppo Agricoltura Sana S.r.L. (Gruppo) (which were excluded from the order during the investigation), at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order are those established in the *Notice of Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination: Certain Pasta from Italy* (61 FR 38544, July 24, 1996), the most recently published countervailing duty rates for companies not reviewed in this administrative review. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is completed. In addition, for the periods from October 17, 1995, through February 13, 1996, and from July 24, 1996, through December 31, 1996, the assessment rates applicable to all non-reviewed companies covered by this order is the cash deposit rate in effect at the time of entry, except for Barilla and Gruppo (which were excluded from the order during the original investigation).

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 355.34(d). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

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

Dated: August 7, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–22063 Filed 8–14–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

Visiting Committee on Advanced Technology

AGENCY: National Institute of Standards and Technology, Department of Commerce.

ACTION: Request for nominations of members to serve on the Visiting Committee on Advanced Technology (VCAT).

SUMMARY: NIST invites and requests nomination of individuals for appointment to the Visiting Committee on Advanced Technology (VCAT). The terms of some of the members of the VCAT will soon expire. NIST will consider nominations received in response to this notice for appointment to the Committee, in addition to nominations already received.

DATES: Please submit nominations on or before August 28, 1998.

ADDRESSES: Please submit nominations to Peggy Webb, VCAT Administrative Coordinator, NIST, Building 101, Room A531, Gaithersburg, MD 20899. Nominations may also be submitted via FAX to 301–948–1224. Additional information regarding the Committee, including its charter, current membership list, and executive summary may be found on its electronic home page at: <http://www.nist.gov/director/vcat/act-97.htm>.

FOR FURTHER INFORMATION CONTACT: Peggy Webb, VCAT Administrative Coordinator, NIST, Building 101, Room A531, Gaithersburg MD 20899;