the Customs Service to continue to suspend liquidation of all entries of subject merchandise from France that were entered, or withdrawn from warehouse, for consumption on or after July 29, 1999 (the date of publication of the Department's preliminary determination). The Customs Service shall continue to require a cash deposit or posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. These suspension of liquidation instructions will remain in effect until further notice. The weighted-average dumping margins are as follows:

Exporter/manufacturer	Weighted-average margin percentage
Usinor	10.43
All others	10.43

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (''ITC'') of our determination. Because our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threatening material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: December 13, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–33230 Filed 12–28–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–560–806]

Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate from Indonesia

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

EFFECTIVE DATE: December 29, 1999.

FOR FURTHER INFORMATION CONTACT: Eva Temkin or Richard Herring, Office of CVD/AD Enforcement VI, Import Administration, U.S. Department of Commerce, Room 4012, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 482–2786.

FINAL DETERMINATION: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of certain cut-to-length carbon-quality steel plate from Indonesia. For information on the estimated countervailing duty rates, please see the ''Suspension of Liquidation'' section of this notice.

SUPPLEMENTARY INFORMATION:

Petitioners

The petition in this investigation was filed by Bethlehem Steel Corporation, U.S. Steel Group, a unit of USX Corporation, Gulf States Steel, Inc., IPSCO Steel, Inc., Tuscaloosa Steel Corporation, and the United Steel Workers of America (the petitioners).

Case History

Since the publication of our preliminary determination in this investigation on July 26, 1999 (*Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination: Certain Cut-to-Length Carbon-Quality Steel Plate From Indonesia,* 64 FR 40457 (*Preliminary Determination*)), the following events have occurred:

On July 15, we reissued the Department's June 22, 1999 supplemental questionnaire to the Government of Indonesia (GOI). We received a response on July 22, 1999. We conducted verification of the countervailing duty questionnaire responses from July 28 through August 3, 1999. Because the final determination of this countervailing duty investigation was aligned with the final antidumping duty determination (*see* 64 FR at 40458), and the final antidumping duty determination was postponed (*see* 64 FR 46341), the Department on August 25, 1999, extended the final determination of this countervailing duty investigation until no later than December 13, 1999 (*see* 64 FR 46341). On August 26, 1999, the Department released its verification reports to all interested parties. Petitioners filed comments on September 10, 1999. Respondents made no arguments. No rebuttal briefs were filed.

On November 23, 1999, we discontinued the suspension of liquidation of all entries of the subject merchandise entered or withdrawn from warehouse for consumption on or after that date, pursuant to section 703(d) of the Act. *See* the ''Suspension of Liquidation'' section of this notice.

Scope of Investigation

The products covered by this scope are certain hot-rolled carbon-quality steel: (1) universal mill plates (*i.e.,* flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a nominal or actual thickness of not less than 4 mm, which are cut-to-length (not in coils) and without patterns in relief), of iron or non-alloy-quality steel; and (2) flat-rolled products, hot-rolled, of a nominal or actual thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are cut-to-length (not in coils).

Steel products to be included in this scope are of rectangular, square, circular or other shape and of rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process (*i.e.,* products which have been ''worked after rolling'')—for example, products which have been beveled or rounded at the edges. Steel products that meet the noted physical characteristics that are painted, varnished or coated with plastic or other non-metallic substances are included within this scope. Also, specifically included in this scope are high strength, low alloy (HSLA) steels. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Steel products to be included in this scope, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: (1) iron predominates, by weight, over each of the other contained elements, (2) the carbon content is two percent or less, by weight, and (3) none of the elements listed below is equal to or exceeds the

quantity, by weight, respectively indicated:
1.80 percent of manganese, or
1.50 percent of silicon, or
1.00 percent of copper, or
0.50 percent of aluminum, or
1.25 percent of chromium, or
0.30 percent of cobalt, or
0.40 percent of lead, or
1.25 percent of nickel, or
0.30 percent of tungsten, or
0.10 percent of molybdenum, or
0.10 percent of niobium, or
0.41 percent of titanium, or
0.15 percent of vanadium, or
0.15 percent zirconium.

All products that meet the written physical description, and in which the chemistry quantities do not equal or exceed any one of the levels listed above, are within the scope of these investigations unless otherwise specifically excluded. The following products are specifically excluded from these investigations: (1) products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances; (2) SAE grades (formerly AISI grades) of series 2300 and above; (3) products made to ASTM A710 and A736 or their proprietary equivalents; (4) abrasion-resistant steels (*i.e.,* USS AR 400, USS AR 500); (5) products made to ASTM A202, A225, A514 grade S, A517 grade S, or their proprietary equivalents; (6) ball bearing steels; (7) tool steels; and (8) silicon manganese steel or silicon electric steel.

The merchandise subject to these investigations is classified in the HTSUS under subheadings: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7225.40.3050, 7225.40.7000, 7225.50.6000, 7225.99.0090, 7226.91.5000, 7226.91.7000, 7226.91.8000, 7226.99.0000.

Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise under investigation is dispositive.

The Applicable Statute and Regulations

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). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations as codified at 19 C.F.R. Part 351 (1998) and to the substantive countervailing duty regulations published in the **Federal Register** on November 25, 1998 (63 FR 65348) (CVD Regulations).

Injury Test

Because Indonesia is a ''Subsidies Agreement Country'' within the meaning of section 701(b) of the Act, the International Trade Commission (ITC) is required to determine whether imports of the subject merchandise from Indonesia materially injure, or threaten material injury to, a U.S. industry. On April 5, 1999, the ITC announced its preliminary finding that there is a reasonable indication that an industry in the United States is being materially injured, or threatened with material injury, by reason of imports from Indonesia of the subject merchandise (*see Certain Cut-to-Length Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia,* 64 FR 17198 (April 8, 1999)).

Period of Investigation

The period of investigation for which we are measuring subsidies (the POI) is calendar year 1998.

Attribution of Subsidies

Section 351.525 of the CVD Regulations states that the Department will attribute subsidies received by two or more corporations to the products produced by those corporations where cross ownership exists. According to section 351.525(b)(6)(vi) of the CVD Regulations, cross-ownership exists between two or more corporations where one corporation can use or direct the individual assets of the other corporation in essentially the same ways it can use its own assets. The regulations state that this standard will normally be met where there is a majority voting ownership interest between two corporations. The preamble to the CVD Regulations identifies situations where cross ownership may exist even though there is less than a majority voting interest between two corporations: ''in certain circumstances, a large minority interest (for example, 40 percent) or a 'golden share' may also result in cross-ownership.'' *See* 63 FR 65401.

Because we preliminarily found both Gunawan and Jaya Pari to have zero subsidy rates, we did not reach the question of whether the relationship between the companies satisfies the standard of cross-ownership. However, in the *Preliminary Determination*, we stated that if we discovered subsidies at verification or otherwise modified our findings so that one or more of the companies did indeed have a subsidy rate for the final determination, we would consider whether there is cross-ownership between Gunawan and Jaya Pari and thus, whether, for purposes of calculating a countervailing duty rate, we should attribute any subsidies received by either or both companies to the products produced by both companies. We invited the parties to comment on whether the relationship between the firms satisfies our new cross-ownership standard.

Since the publication of our *Preliminary Determination*, we have found no evidence of subsidies having been given to either Gunawan or Jaya Pari; nor have we otherwise modified our findings in a way such that either company has a subsidy rate in this final determination. Moreover, we received no comments from the parties on this issue. Thus, the question of whether the relationship between the companies satisfies the standard of cross-ownership is moot for purposes of this investigation.

Use of Facts Available

As discussed in detail in the *Preliminary Determination*, Krakatau failed to respond to any of the Department's questionnaires. The GOI provided some, although not all, of the information requested about Krakatau. In the *Preliminary Determination*, relying upon section 782(e) of the Act, the Department determined that based on the GOI's submission of some data, the administrative record was not so incomplete that it could not serve as a reliable basis for reaching a preliminary determination. Therefore, the Department used the GOI's data where possible, *i.e.*, the Department relied on information provided by the GOI to reach a preliminary determination that Krakatau had not used the Rediscount Loan Program and Tax Holiday Program. The Department only resorted to the facts otherwise available in those instances where data necessary for the calculation of Krakatau's subsidy rate was missing. *See Preliminary Determination*. In addition, as described in detail in the *Preliminary Determination*, the Department determined that in those instances when resort to facts available was necessary, the use of an adverse inference was warranted under section 776(b) of the Act because the Department determined that Krakatau failed to cooperate by not acting to the best of its ability in complying with requests for information in this investigation.

After the issuance of the *Preliminary Determination*, the Department attempted to verify with the GOI that Krakatau had not used the Rediscount Loan Program, but was unable to do so. *See* Memorandum to David Mueller, ''Verification Report of the Government of Indonesia,'' dated August 26, 1999 (*GOI Verification Report*), public version on file in the Central Records Unit (CRU) (Room B–099 of the Main Commerce Building). We were, however, able to verify that no respondent in this investigation used the Tax Holiday Program.

Section 782(e) of the Act provides that the Department shall not decline to consider information submitted by an interested party, if, among other factors, the information can be verified. Because information submitted by the GOI concerning Krakatau's use of the Rediscount Loan Program could not be verified, we have declined to consider it for this final determination, and find it necessary to resort to the facts available for this program, as well. Therefore, for this final determination, all components of Krakatau's subsidy rate are based on the facts available.

Moreover, the Department determines that when selecting among the facts otherwise available for the Rediscount Loan Program, an adverse inference is warranted because the GOI and Krakatau have failed to cooperate by not acting to the best of their abilities. Krakatau and the GOI failed on numerous occasions to respond to the Department's questions. Specifically, Krakatau has failed to participate in any way in this investigation. The GOI responded to the Department's initial questionnaire, but did not respond fully to supplemental questionnaires, and did not respond at all to the Department's final questionnaire. Regarding the information that the GOI did place on the record in this investigation, we specifically requested in the outline sent to the GOI prior to verification that the GOI be prepared to review any files maintained on the Rediscount Loan Program, and to demonstrate whether Krakatau used the program for shipments of subject merchandise to the United States in 1998. However, at verification, GOI officials stated that due to the nature and volume of their files on this program, they were unable to present them. Thus, the Department was unable to verify certain information submitted by the GOI. For these reasons, we find that the GOI, like Krakatau, did not cooperate to the best of its ability in this investigation.

Further, as stated in the *Preliminary Determination*, petitioners made new subsidy allegations with respect to Krakatau on June 7, 1999. The Department determined that these allegations were adequate, but as of the date of the *Preliminary Determination*, the Department had not had sufficient time to collect information from Krakatau and the GOI on the Pre-1993 Equity Infusions to Krakatau, P.T., Cold-Rolled Mill Indonesia (CRMI) Equity Infusions, and Two-Step Loan programs. Thus, we did not make preliminary determinations with respect to these programs' countervailability. We asked both Krakatau and the GOI to submit information specific to these allegations. We received no response from Krakatau, and the GOI stated that they did not have access to the relevant files.

Therefore, because both Krakatau and the GOI have failed to provide information necessary for the calculation of subsidy rates for these newly alleged programs, pursuant to section 776(a)(2)(B) of the Act, we find it necessary to resort to the facts otherwise available for this final determination. As described in detail in the *Preliminary Determination* and above, because we have determined that both Krakatau and the GOI have failed to cooperate to the best of their abilities in this investigation, we find the use of adverse inferences necessary when selecting among the facts available, in accordance with section 776(b) of the Act.

When employing an adverse inference, the statute indicates that the Department may rely upon information derived from (1) the petition; (2) a final determination in a countervailing duty or an antidumping investigation; (3) any previous administrative review, new shipper review, expedited antidumping review, section 753 review, or section 762 review; or (4) any other information placed on the record. *See also* section 351.308(c) of the CVD Regulations. Due to the absence of any other relevant information on the record, we consider the petition to be an appropriate source for the necessary information.

Furthermore, the Statement of Administrative Action accompanying the URAA clarifies that information from the petition and prior segments of the proceeding is ''secondary information.'' *See* Statement of Administrative Action, accompanying H.R. 5110 (H.R. Doc. No. 103–316) (1994) (SAA), at 870. If the Department relies on secondary information as facts available, section 776(c) of the Act provides that the Department shall, ''to the extent practicable,'' corroborate such information using independent sources reasonably at its disposal. The SAA provides that to corroborate secondary information means simply that the Department will satisfy itself that the secondary information to be used has probative value. Furthermore, the SAA explicitly states, ''[t]he fact that corroboration may not be practicable in a given circumstance will not prevent [Commerce] from applying an adverse inference . . . .'' SAA at 870.

As explained above, we are using the petition information as adverse facts available in countervailing the programs involved in this investigation. For a more detailed description of our treatment of these programs, see the program descriptions in the ''Programs Determined to be Countervailable'' section of this notice. Due to a lack of available public information, with respect to the programs for which we did not receive information from respondents, or for which we could not verify information which had been submitted, we corroborated the information used as adverse facts available by comparing it to the exhibits attached to the petition, including Krakatau's financial statements. In the case of the Rediscount Loan Program, we used information from *Final Negative Countervailing Duty Determination: Extruded Rubber Thread From Indonesia,* 64 FR 14695, (March 26, 1999) (*ERT*), where we examined the same program and found it to be countervailable. In addition, where calculations from the petition were used, we modified and adjusted the calculation of the *ad valorem* subsidy rates to conform to the Department's methodologies when necessary or when possible. More detailed explanations of our corroboration of the petition information is contained in the ''Equityworthiness'' and ''Programs Determined to be Countervailable'' sections of this notice. In places where we do not explain our corroboration of information used, we did not find it practicable to corroborate the information because of a lack of reasonably available independent sources. However, as discussed above, a finding that it is not practicable to corroborate certain information, does not prevent the Department from using the information as adverse facts available. *See* SAA at 870.

Changes in Ownership

In this investigation, we have examined subsidies that were conferred upon CRMI at a time when it was partially owned by Krakatau. Since that time, Krakatau has taken control over the remaining share of CRMI, which is presently a wholly-owned subsidiary of Krakatau. In change of ownership situations such as this, it is the Department's standard practice to

follow the methodology outlined in the *General Issues Appendix* (*GIA*), attached to the *Final Affirmative Countervailing Duty Determination; Certain Steel Products from Austria,* 58 FR 37217, 37265 (July 9, 1993), with respect to the treatment of subsidies received prior to the sale of the company. *See also, Final Affirmative Countervailing Duty Determination: Certain Hot-Rolled Flat-Rolled Carbon-Quality Steel Products from Brazil,* 64 FR 38741, 38745 (July 19, 1999).

Over the course of this investigation, we repeatedly asked both Krakatau and the government to provide information that would allow us to use this methodology, but they did not. In the absence of this information, as adverse facts available, for equity infusions provided to CRMI, we treated these equity infusions as though the entire amount was attributable to Krakatau. Accordingly, we assigned the total amount of the equity infusions directly to Krakatau.

Subsidies Valuation Information

Allocation Period

Section 351.524(d)(2) of the CVD Regulations states that we will 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 (IRS) 1977 Class Life Asset Depreciation Range System and updated by the Department of Treasury. The presumption will apply unless a party claims and establishes that these tables do not reasonably reflect the AUL of the renewable physical assets for the company or industry under investigation, and the party can establish that the difference between the company-specific or country-wide AUL for the industry under investigation is significant.

In this investigation, no party to the proceeding has claimed that the AUL listed in the IRS tables does not reasonably reflect the AUL of the renewable physical assets for the firm or industry under investigation. Therefore, according to section 351.524(d)(2) of the CVD Regulations, we have allocated Krakatau's non-recurring benefits over 15 years, the AUL listed in the IRS tables for the steel industry.

Equityworthiness

In analyzing whether a company is equityworthy, the Department considers whether that company could have attracted investment capital from a reasonable private investor in the year of the government equity infusion based on the information available at that time. In this regard, the Department has consistently stated that a key factor for a company in attracting investment capital is its ability to generate a reasonable return on investment within a reasonable period of time. In making an equityworthiness determination, in accordance with section 351.507(a)(4) of the CVD Regulations, the Department may examine the following factors, among others:

A. Objective analyses of the future financial prospects of the recipient firm or the project as indicated by, *inter alia*, market studies, economic forecasts, and project or loan appraisals prepared prior to the government-provided equity infusion in question;

B. Current and past indicators of the recipient firm's financial health calculated from the firm's statements and accounts, adjusted, if appropriate, to conform to generally accepted accounting principles;

C. Rates of return on equity in the three years prior to the government equity infusion; and

D. Equity investment in the firm by private investors.

The Department has examined Krakatau's equityworthiness for the period 1988 through 1992, as well as in 1995, to the extent that equity infusions may have been received in these years. In our preliminary determination, we found that Krakatau was unequityworthy in 1995. We received no comments from the interested parties relating to our analysis of Krakatau's equityworthiness. Thus, for the reasons specified in the *Preliminary Determination*, we determine that Krakatau was unequityworthy in 1995. See *Preliminary Determination*, 64 FR at 40460.

The Department has also examined Krakatau's equityworthiness for the period 1988 through 1992, to the extent equity infusions may have been received in these years. Because neither Krakatau nor the GOI responded to our repeated attempts to gather information regarding the new allegations pertaining to the period 1988 through 1992, we used the information in the petition as adverse facts available in accordance with section 776(b) of the Act to conclude that Krakatau was unequityworthy during the period 1988 through 1992. (For further discussion, see the ''Facts Available'' section of this notice.)

With respect to factor A, no studies or other relevant data have been submitted to the record. The petition cites several press articles which describe Krakatau as inefficient, unprofitable, and uncompetitive during the years prior to 1992. *See* Countervailing Duty Petition, public version on file in the CRU. In order to corroborate the petition information demonstrating that Krakatau was inefficient and unprofitable prior to 1992, we examined the newspaper articles cited by the petition. We found that these independent sources did indeed describe Krakatau's financial and operational difficulties, thus corroborating a finding of unequityworthiness.

To address factors B and C, we examined Krakatau's financial ratios for 1990 through 1992, provided in the petition, which show that Krakatau's rates of return were far less than the average rate of return available in Indonesia. With respect to the final factor, Krakatau has no private investors. Therefore, there are no private investments that may be used to evaluate Krakatau's equityworthiness.

The available financial ratios, coupled with press reports used as adverse facts available, demonstrate that no reasonable private investor would have made equity investments in Krakatau during the period 1988 through 1992. On this basis, we find that Krakatau was unequityworthy during the period 1988 through 1992.

We have also examined the equityworthiness of Krakatau's subsidiary, the Cold Rolling Mill of Indonesia (CRMI), in 1989 and 1990, to the extent that equity infusions may have been received in these years. As discussed above, because neither Krakatau nor the GOI responded to our repeated attempts to gather information regarding the allegations pertaining to CRMI, we have relied upon the information provided in the petition as adverse facts available in accordance with section 776(b) of the Act. (For further discussion, see the ''Facts Available'' section of this notice.)

Because no financial statements for CRMI for years prior to 1994 have been available, the petition cites to several press articles to demonstrate CRMI's unequityworthiness. One such article, from 1989, quotes a government official (who was also a company official at the time) as stating that CRMI had failed to make a profit since being inaugurated in 1987. Another 1989 article reports that CRMI's money-losing performance was caused by large debts, technical problems and poor sales, which led to accumulated losses of about US$120 million. At the same time, CRMI's estimated debt was reported to be US$485 million. The petition shows that CRMI's financial situation declined further in 1990. According to press reports from 1990, the company's losses

increased to US$150 million and its outstanding debts grew to US$492 million. In order to corroborate this petition information demonstrating CRMI's unequityworthiness, we examined the independent press reports cited in the petition and confirmed that they in fact described CRMI's operational and financial difficulties in a manner that supports an unequityworthy determination.

These articles are the only evidence on the record concerning CRMI's equityworthiness, and suggest that no reasonable private investor would have deemed CRMI capable of generating a reasonable rate of return within a reasonable period at the time of the equity infusions. On this basis, we determine that CRMI was unequityworthy in 1989 and 1990.

Equity Methodology

In measuring the benefit from a government equity infusion, in accordance with section 351.507(a)(2) of the CVD Regulations, the Department compares the price paid by the government for the equity to actual private investor prices, if such prices exist. According to section 351.507(a)(3) of the CVD Regulations, where actual private investor prices are unavailable, the Department will determine whether the firm was unequityworthy at the time of the equity infusion. In these cases, private investor prices were unavailable; thus, we conducted equityworthy analyses. As discussed above, we have determined that Krakatau was unequityworthy during the period from 1988 to 1992, and in 1995, and that CRMI was unequityworthy from 1989 to 1990.

Section 351.507(a)(3) of the CVD Regulations provides that a determination that a firm is unequityworthy constitutes a determination that the equity infusion was inconsistent with the usual investment practices of private investors. The Department will then apply the methodology described in section 351.507(a)(6) of the regulations, and treat the equity infusion as a grant. Use of the grant methodology for equity infusions into an unequityworthy company is based on the premise that an unequityworthiness finding by the Department is tantamount to saying that the company could not have attracted investment capital from a reasonable investor in the infusion year based on the available information.

Creditworthiness

As discussed in the *Preliminary Determination*, we only initiated an investigation of Krakatau's creditworthiness during 1995. In the *Preliminary Determination*, based on adverse facts available, we found Krakatau to be uncreditworthy in 1995. We received no comments from the interested parties relating to our analysis of Krakatau's creditworthiness. Thus, for the reasons specified in the *Preliminary Determination,* we continue to find that Krakatau was uncreditworthy in 1995. *See Preliminary Determination*, 64 FR at 40461.

Discount Rates and Loan Benchmarks

For equity infusions given to Krakatau, we calculated the discount rates in accordance with the formula for constructing a long-term interest rate benchmark for uncreditworthy companies as stated in the Department's new regulations. *See* Section 351.505 (a)(3)(iii) of the CVD Regulations. This formula requires values for the probability of default by uncreditworthy and creditworthy companies. For the probability of default by an uncreditworthy company, we relied on the average cumulative default rates reported for the Caa to C-rated category of companies as published in Moody's Investors Service, ''Historical Default Rates of Corporate Bond Issuers, 1920–1997,'' (February 1998). For the probability of default by a creditworthy company, we used the average cumulative default rates reported for the Aaa to Baa.[1] Because no timely allegation of uncreditworthiness was made against CRMI in this investigation, no determination has been made regarding CRMI. Thus, we did not add an uncreditworthiness margin to interest rates used to calculate benefits received by CRMI.

For subsidies received by Krakatau between 1994 and 1998, we used the average cost of long-term fixed-rate loans in Indonesia as the interest rates that would have been paid by a creditworthy company, specifically the investment rates offered by commercial banks in Indonesia as reported in the Indonesian Financial Statistics of February 1999, attached to the GOI's April 29, 1999, questionnaire response, a public document on file in the CRU. In order to calculate a benefit for long-term allocable subsidies that were received prior to 1994, we used interest rate data for Indonesian long-term non-guaranteed commercial loans as published in the International Monetary *Fund's International Financial Statistics.* For 1998, since Indonesia experienced very high inflation during this year, we converted the subsidy into U.S. dollars and then applied a long-term dollar rate as the discount rate, specifically, the average yield to maturity on selected long-term Baa-rated bonds. *See* Memorandum to David Mueller, ''Preliminary Analysis and Calculations,'' dated July 16, 1999 (*Preliminary Analysis Memo*), public version on file in the CRU. This conforms with our practice in *Final Affirmative Countervailing Duty Determination: Steel Wire Rod from Venezuela,* 62 FR 55014, 55019 (October 22, 1997).

To calculate the benefit from the Two-Step Loan Program, because the loans were denominated in Austrian schillings, we used as our benchmark the Austrian national average government bond rate, as published in the International Monetary Fund's *International Financial Statistics.* While it is not our policy to use government bonds as a benchmark, due to the lack of record evidence in this investigation, a commercial lending rate was unavailable. Therefore, this is the only information we were able to find for a schilling benchmark. As with the equity infusions, we calculated the discount rates in accordance with the formula for constructing a long-term interest rate benchmark for uncreditworthy companies as stated in the Department's new regulations. *See* Section 351.505 (a)(3)(iii) of the CVD Regulations

For the Rediscount Loan Program, we used as our benchmark the reported average cost of short-term fixed-rate loans in Indonesia as the interest rate that would be paid by a creditworthy company, specifically the working capital rate offered by commercial banks in Indonesia as reported in the Indonesian Financial Statistics of February 1999, attached to the GOI's April 29, 1999, questionnaire response, a public document on file in the CRU.

I. Programs Determined To Be Countervailable

A. 1995 Equity Infusion into Krakatau

In the *Preliminary Determination*, because Krakatau did not respond to this allegation, we used the information and data provided in the petition as adverse facts available, in accordance with section 776(b) of the Act (*see* ''Facts Available'' discussion above). We corroborated this information in accordance with section 776(c) of the Act as described in the *Preliminary*

[1] We note that since publication of the CVD Regulations, Moody's Investors Service no longer reports default rates for Caa to C-rated category of companies. Therefore for the calculation of uncreditworthy interest rates, we will continue to rely on the default rates as reported in Moody Investor Service's publication dated February 1998 (see Exhibit 28).

Analysis Memo. We received no comments from the interested parties relating to our analysis of Krakatau's 1995 equity infusion. Thus, for the reasons specified in the *Preliminary Determination*, we determine that this equity infusion constituted a countervailable subsidy. *See Preliminary Determination*, 64 FR at 40461.

As explained in the ''Equity Methodology'' section above, we have treated equity infusions into unequityworthy companies as grants given in the year the infusion was received because no market benchmark exists. In accordance with section 351.507(c) of the CVD Regulations, the equity infusion is allocated as a non-recurring subsidy. We allocated the subsidy and converted the remaining face value of the infusion in 1998 into U.S. dollars using the average 1997 rupiah/dollar exchange rate and applied the long-term U.S. dollar uncreditworthy interest rate described in the ''Discount Rate'' section of this notice. We then divided the benefit amount allocable to the POI by Krakatau's estimated 1998 U.S. dollar total sales figure, which was calculated based on the facts available in the petitioner's submission and corroborated as detailed in the *Preliminary Analysis Memo*, public version on file in the CRU. On this basis, we determine the net countervailable subsidy to be 16.21 percent *ad valorem* for Krakatau.

B. Pre-1993 Equity Infusions to Krakatau

As discussed in the *Preliminary Determination,* on June 7, 1999, petitioners alleged that the GOI had made equity infusions into Krakatau prior to 1993. At the time of the preliminary determination, the Department had not had sufficient time to collect information from Krakatau and the GOI on the alleged Pre-1993 Equity Infusions to Krakatau, and so did not make a determination with respect to this program's countervailability.

After the preliminary determination, both Krakatau and the GOI were given an opportunity to provide information regarding these programs, but they did not. Therefore, in accordance with section 776(b) of the Act, we have used the information contained in the petition as adverse facts available in order to make a determination with regard to this program. (*See* ''Facts Available'' discussion above).

According to the petitioners, the GOI provided Krakatau with equity infusions totaling US$765 million during the period from 1988 to 1992. We corroborated the assertion made in the petition by comparing it to the independent newspaper article cited in the petition which states that, ''Excluding the cold-rolled mill, government subsidies for Krakatau totaled Rps. 1.6 trillion (US$765 million) in the five years to 31 December 1992.''

Because we have determined that Krakatau was unequityworthy during this period in accordance with section 776(b) of the Act, we determine that under section 771(5)(E)(i) of the Act, these equity infusions into Krakatau were not consistent with the usual investment practice of a private investor and confer a benefit in the amount of each infusion (*see* ''Equityworthiness'' section above). The equity infusions are specific within the meaning of section 771(5A)(D) of the Act because they were limited to Krakatau. Accordingly, we find that the equity granted to Krakatau during the period in question provides a countervailable subsidy within the meaning of section 771(5) of the Act.

As explained in the ''Equity Methodology'' section above, we have treated equity infusions into unequityworthy companies as grants given in the year the infusion was received because no market benchmark exists. In accordance with section 351.507(c) of the CVD Regulations, the equity conversion is allocated as a non-recurring subsidy. Due to the lack of record information regarding this program, we were unsure of the years in which the equity was given. Therefore, we treated the entire amount as a grant provided in equal payments over the five-year period from 1988 to 1992. We allocated the subsidy and converted the remaining face value of the infusion in 1998 into U.S. dollars using the average 1997 rupiah/dollar exchange rate and applied the long-term U.S. dollar interest rate to uncreditworthy companies described in the ''Discount Rate'' section of this notice. We then divided the benefit amount allocable to the POI by Krakatau's estimated 1998 U.S. dollar total sales figure, which was calculated based on the facts available in the petitioner's submission and corroborated as detailed in our *Preliminary Analysis Memo*. On this basis, we determine the net countervailable subsidy to be 16.66 percent *ad valorem* for Krakatau.

C. 1989 Equity Infusion to CRMI

As discussed in the *Preliminary Determination*, on June 7, 1999, petitioners alleged that massive equity infusions were provided to Krakatau's subsidiary, the Cold Rolling Mill of Indonesia (CRMI). Krakatau owned 40 percent of CRMI's equity until 1991, when it purchased the remaining shares to become a 100 percent owner. Petitioners alleged that these 1989 and 1990 equity infusions provided a countervailable benefit to Krakatau based on its ownership share in CRMI. At the time of the preliminary determination, the Department had not had sufficient time to collect information from Krakatau and the GOI on the alleged Equity Infusions to CRMI, and so did not make a determination with respect to this program's countervailability. Since the preliminary determination, however, the Department afforded both Krakatau and the GOI the opportunity to provide information regarding these subsidy allegations. Because neither party responded to our questionnaires, we have used the information contained in the petition as adverse facts available, in accordance with section 776(b) of the Act. (*See* ''Facts Available'' discussion above).

According to the Countervailing Duty Petition, the GOI provided CRMI with an equity infusion totaling US$75 million in 1989. In support of this allegation, the petition points to quotes from GOI officials regarding the cash injections. To the extent practicable, we have corroborated the information provided in the petition with numerous press articles which describe the equity infusion, provided as attachments to the petition. On the basis of this information, as adverse facts available, we determine that under section 771(5)(E)(i) of the Act, these equity infusions into CRMI were not consistent with the usual investment practices of a private investor and confer a benefit to CRMI in the amount of each infusion (*see* ''Equityworthiness'' section above). The equity infusions are specific within the meaning of section 771(5A)(D) of the Act because they were limited to CRMI. Accordingly, we find that the equity granted to CRMI during the period in question provides a countervailable subsidy within the meaning of section 771(5) of the Act.

As discussed in the ''Changes in Ownership'' section, above, as adverse facts available, we are assuming that Krakatau did not pay for its total acquisition of CRMI in 1991. Therefore, all of the benefit to CRMI would have passed through to Krakatau at the time of the acquisition. As explained in the ''Equity Methodology'' section above, we have treated equity infusions into unequityworthy companies as grants given in the year the infusion was received because no market benchmark exists. In accordance with section 351.507(c) of the CVD Regulations, the equity conversion is allocated as a non-

recurring subsidy. Therefore, we treated the entire amount as a grant given to Krakatau in 1989. We allocated the subsidy over 15 years, and applied the long-term U.S. dollar uncreditworthy interest rate described in the ''Discount Rate'' section of this notice. We then divided the benefit amount allocable to the POI by Krakatau's estimated 1998 U.S. dollar total sales figure, which was calculated based on the facts available in the petitioner's submission and corroborated as detailed in our *Preliminary Analysis Memo*. On this basis, we determine the net countervailable subsidy to be 1.50 percent *ad valorem* for Krakatau.

D. Three-Step Equity Infusion to CRMI

Information in the petition indicates that in 1989, an equity infusion of US$357 million was to be provided to CRMI in three installments—US$290 million, US$49 million and US$18 million. A 1990 article corroborates that the GOI was considering an equity infusion in the amount of US$290 to CRMI. *See* Third Petition Attachment, Exhibits 15, 48. At the time of the preliminary determination, the Department had not had sufficient time to collect information from Krakatau and the GOI on these alleged Equity Infusions to CRMI, and so did not make a determination with respect to this program's countervailability.

After the preliminary determination, both Krakatau and the GOI were given the opportunity to provide information regarding these programs, but did not. Therefore, as adverse facts available, we determine that under section 771(5)(E)(i) of the Act, these equity infusions into CRMI were not consistent with the usual investment practice of a private investor and confer a benefit to CRMI in the amount of each infusion (*see* ''Equityworthiness'' section above). To the extent that Krakatau had a 40 percent stake in CRMI at the time of the infusion, and has full ownership presently, the benefit to CRMI is equivalent to a benefit to Krakatau. The equity infusions are specific within the meaning of section 771(5A)(D) of the Act because they were limited to CRMI. Accordingly, we find that the equity granted to CRMI during the period in question provides a countervailable subsidy within the meaning of section 771(5)(A) of the Act.

As explained in the ''Changes in Ownership'' section above, as adverse facts available, we are assuming that all of the benefit to CRMI would have passed through to Krakatau at the time of the acquisition. As explained in the ''Equity Methodology'' section above, we have treated equity infusions into unequityworthy companies as grants given in the year the infusion was received because no market benchmark exists. In accordance with section 351.507(c) of the CVD Regulations, the equity conversion is allocated as a non-recurring subsidy. Therefore, we treated the entire amount as a grant. The information in the petition, corroborated by an independent newspaper article attached to the petition, indicated that the GOI was going to give the infusion in 1990; likewise, we have treated this equity infusion as a grant given to Krakatau in 1990. We allocated the subsidy and applied the long-term U.S. dollar interest rate described in the ''Discount Rate'' section of this notice. We then divided the benefit amount allocable to the POI by Krakatau's estimated 1998 U.S. dollar total sales figure, which was calculated based on the facts available in the petitioner's submission and corroborated as detailed in our *Preliminary Analysis Memo*. On this basis, we determine the net countervailable subsidy to be 7.64 percent *ad valorem* for Krakatau.

E. Two-Step Loan Program

Prior to the Department's preliminary determination in this proceeding, the petitioners alleged that the GOI had provided so-called ''two-step loans'' to Krakatau for the construction of certain fixed assets. At the time of the preliminary determination, the Department had not had sufficient time to collect information from Krakatau and the GOI regarding this alleged Two-Step Loan program, and so did not make a determination with respect to this program's countervailability. Although the GOI and Krakatau were both asked repeatedly to respond to the Department's questions about this program, neither party provided any information that could be used in making a determination with respect to this program's countervailability. Thus, in accordance with section 776(b) of the Act, we have used the information provided by petitioner as adverse facts available. (*See* ''Facts Available'' discussion above).

According to the petition, and corroborated by the descriptions contained in Krakatau's 1996 and 1997 annual reports, these two-step loans were drawn by Krakatau from ''credit facilities'' (*i.e.,* lines of credit) in the billing currencies of its equipment suppliers, who, in turn, receive payment from banks appointed by lenders. According to Krakatau's annual reports, the loans, which were converted into rupiah based on the exchange rate on the drawing date, are repayable in the currency in which they were borrowed, Austrian schillings. Krakatau's annual reports indicate that Krakatau received a credit facility from the GOI in fiscal year (FY) 1995 for ''optimization projects for the slab steel plant and billet steel plant'' from which it drew down loan amounts in FY 1995, FY 1996, and FY 1997. For all loan amounts drawn under this credit facility, Krakatau pays interest at a rate of 4 percent per annum. The first principal installment on the loan balance is scheduled for April 30, 2003 and last payment on October 30, 2020.

In 1995, the year in which the credit facilities were extended, a lending rate of 4 percent would be inconsistent with an interest rate the company would have received on a comparable commercial loan denominated in Austrian schillings, and would thus provide a benefit pursuant to section 351.505(a) of the Department's regulations. (*See* the International Monetary Fund's International Financial Statistics, October 1999, at 110). The information provided in the petition and corroborated by the company's financial statements further demonstrates that these loans are specific because they were provided by the GOI as part of the financing for Krakatau's projects. There is no information on the record of this investigation which would indicate that the two-step loan was provided to Krakatau pursuant to a program to which other companies ostensibly had access. As adverse facts available, pursuant to section 776(b) of the Act, we find that the loan is specific as a matter of law. Accordingly, we find that the two-step loan granted to Krakatau provides a countervailable subsidy within the meaning of section 771(5) of the Act.

In order to calculate the benefit from this program, we compared the interest rates Krakatau paid on these two-step loans during the POI to the interest rates the company would have paid for comparable commercial loans, based on the long-term Austrian schilling loan benchmark for uncreditworthy companies described in the ''Discount Rates'' section of this notice, above. This difference was then divided by Krakatau's estimated sales during the POI which were calculated based on petition information and corroborated as detailed in the *Preliminary Analysis Memo*. On this basis, we determine the countervailable subsidy from this program to be 0.65 percent *ad valorem* for Krakatau.

F. Rediscount Loan Program

In our *Preliminary Determination,* the Department found that Krakatau had not

used this program. This determination was based on information provided by the GOI; this information indicated that while Krakatau was eligible to receive benefits under this program, it had neither applied for nor received such benefits. The Department found, at the preliminary stage of this investigation, that the administrative record with regard to Krakatau was not so incomplete that it could not serve as a reliable basis for reaching a determination with regard to this program.

According to section 782(e)(2) of the Act, the Department shall not decline to consider information submitted by an interested party if, among other factors, the information can be verified. We attempted to verify with the GOI that Krakatau had not used the Rediscount Loan Program, but were unable to do so. *See, GOI Verification Report* at 3. As explained in the ''Facts Available'' section of this notice, we have determined to resort to adverse facts available for our determination with regard to this program.

Under Decree No. 132/MPP/Kep/1996 of June 4, 1996, the Ministry of Industry and Trade, the Ministry of Finance, and the Bank of Indonesia (BI) provide support for certain exporters with the goal of achieving diversification of the Indonesian export base. Companies designated as Perusahaan Eksportir Tertentu (PET) are eligible to participate in this program. Under the program, PETs sell their letters of credit and export drafts at a discount to the BI through participating foreign exchange banks, which are commercial banks that have obtained a license to conduct activities in foreign currencies. The sale of the letters of credit and export drafts by the PETs provides them with working capital at lower interest rates than they would otherwise pay on short-term commercial loans.

This same program was determined to constitute an export subsidy in *Final Negative Countervailing Duty Determination: Extruded Rubber Thread From Indonesia,* 64 FR 14695 (March 26, 1999) (*ERT*).

On the basis of this information, and in conformance with section 776(b) of the Act, we determine that the loans provided under this program are countervailable in accordance with section 771(5)(A) of the Act. Through this program, the BI provides working capital to PETs at interest rates which are more favorable than those provided to non-PETs. The benefit is the difference between the amount the borrower of the loan pays on the loan and the amount the borrower would pay on a comparable commercial loan. Finally, because the program is contingent upon export performance, it is an export subsidy under section 771(5A)(B) and is, therefore, specific.

In the *ERT* determination, the Department verified that the interest rates in effect during that investigation's POI were the Singapore Interbank Offering Rate (SIBOR) for PETs, and SIBOR plus 1 percent for non-PETs. *See ERT,* 64 FR at 14696. The interest rates used in the petition, as corroborated by the questionnaire response of the GOI were SIBOR for PET exporters, and SIBOR plus 1 percent for non-PET exporters during the first half of the POI. During the second half of the POI rediscount loan rates rose to SIBOR plus 3 percent for PET exporters, and SIBOR plus 4 percent for non-PET exporters. *See Third Petition Amendment,* Exhibit 42; *see also GOI Verification* at 2. Thus, we have used these interest rates to calculate the benefit to Krakatau. We compared the interest rates Krakatau paid on loans for shipments to the United States to the interest rates that non-PET companies would have had to pay for comparable commercial short-term loans. This difference was then divided by Krakatau's total exports sales. As adverse facts available, we used the estimated export sales calculated in the petition to calculate the subsidy rate. On this basis, we determine the countervailable subsidy from this program to be 5.05 percent *ad valorem* for Krakatau.

Based on the verified information provided by respondents and the GOI, we determine that neither Gunawan nor Jaya Pari applied for or received benefits under the Rediscount Loan Program during the POI.

II. Program Determined Not To Exist

Reduction in Electricity Tariffs

In the *Preliminary Determination,* the Department found no basis for concluding that the steel industry had received a special electricity discount. Moreover, based on the record evidence, the electricity discount was not limited to a specific enterprise, industry or group thereof, but was available to all industrial users in the country. Therefore, we preliminarily determined that the electricity discount program is not countervailable. (*See Preliminary Determination,* 64 FR at 40462).

At verification, we met with officials from the government-owned electricity company, PLN, to discuss the tariff rates. Officials explained that, prior to the increase in question, the last tariff schedule was implemented in 1994. The President established a tariff increase with Decree No. 70 of 1998, because of the increased costs of providing electricity. The increase was to be implemented in three stages. However, due to the financial crisis and the instability of the rupiah, only the first of these three stages was actually implemented, in May 1998. In early 1999, with Presidential Decree No. 1, 1999, the second two stages were officially postponed in a decree which legalized the existing tariff schedule. *See* Exhibit 12 to the GOI's June 2, 1999, questionnaire response, public version on file in the CRU. Thus, the subsequent stages were never implemented and there were no refunds. The May 1998 tariff schedule is still presently in place.

Additionally, we verified that there are no special rates for particular industries; all industries are charged based on industrial usage categories. On these bases, we find this program not to exist.

III. Program Determined To Be Not Used

Based on the verified information provided by respondents and the GOI, we determine that neither Gunawan nor Jaya Pari applied for or received benefits from Corporate Income Tax Holidays during the POI. With regard to Krakatau, the facts available regarding this program have not changed from the preliminary determination; therefore we continue to find that Krakatau did not use this program during the POI.

Interested Party Comments

Comment 1: Whether the Department Should Countervail the 1989 Equity Infusion to CRMI, the Three-Step Equity Infusion, and the Two-Step Loan from the GOI

Petitioners argue that the Department should countervail three subsidies to Krakatau which were outlined in the June 7, 1999 amendment to the petition: the 1989 Equity Infusion to CRMI, the Three-Step Equity Infusion, and the Two-Step Loan from the GOI. The information in the petition amendment was not rebutted by Krakatau or the GOI, nor did Krakatau or the GOI present any affirmative information regarding these programs in the investigation. Therefore, petitioners argue, the Department should apply adverse facts available in its final determination, in accordance with the Department's own regulations.

Department's Position: We agree with Petitioners. In the *Preliminary Determination,* we stated that due to the lateness of the allegations, the parties had not been given sufficient time to provide information with regard to these alleged programs. However, since the

preliminary determination, both Krakatau and the GOI have been afforded opportunities to present information regarding these allegations. Neither Krakatau nor the GOI responded to our questions concerning these programs. Therefore, as discussed in detail in both the ''Use of Facts Available'' and ''Programs Determined to be Countervailable'' sections of this notice, we have applied adverse facts available in accordance with the Department's regulations, at 351.308(a) and with section 776(b) of the Act.

Comment 2: Whether the GOI has Failed Verification with Respect to the Rediscount Loan Subsidy

In the *Preliminary Determination,* the Department found that Krakatau had not used rediscount loans, on the basis of the GOI's questionnaire responses. However, petitioners assert that the GOI had placed conflicting information on the record, information that should have been clarified at verification. As the Department was unable to verify this program, petitioners argue that the Department should resort to the use of facts available to countervail Krakatau's use of this program, which has been found to be countervailable in prior proceedings. To support their position, petitioners point to the verification outlines, which clearly stated that the Department would need to examine records maintained on Krakatau with regard to this subsidy. Because the Department requested that the GOI be prepared to present documentation at verification, petitioners argue that the GOI should have been fully prepared for verification.

Simply put, petitioners argue that because officials from the GOI were unable to present information beyond mere assertions at verification that Krakatau did not use this program, the GOI failed verification with respect to this program and the Department is obliged to countervail Krakatau's use of this program as adverse facts available. Petitioners cite to *Stainless Steel Sheet and Strip in Coils from Taiwan,* in which the Department applied adverse facts available because a party was in control of necessary information but did not provide that information.

Department's Position: As discussed in the ''Use of Facts Available'' section of this notice, above, according to section 782(e)(2) of the Act, the Department shall not decline to consider information if, among other factors, that information can be verified. In this case, we attempted to verify with the GOI that Krakatau had not used the Rediscount Loan Program, but were unable to do so. At verification, we asked to review any records the Bank of Indonesia maintains with regard to the users of this program. The officials indicated that, although they searched their files for any information on Krakatau Steel and did not find anything, it was not possible to review each and every file to demonstrate that Krakatau did not use the program. *See, GOI Verification Report,* page 3. Moreover, the government officials did not propose any other way in which Krakatau's non-use could be adequately verified. Consequently, we agree with petitioners' assertion that the Department was unable to verify Krakatau's non-use of the rediscount loan program and we must, therefore, base our final determination on the facts available on the record. Additionally, as explained in the ''Facts Available'' section above, because we determined that the GOI failed to cooperate by not acting to the best of its ability in this investigation, we determined that an adverse inference is warranted when selecting among the facts available. For more information, *see* the ''Programs Determined to be Countervailable'' section of this notice.

Verification

In accordance with section 782(i) of the Act, except as noted in the ''Facts Available'' and ''Programs Determined to Be Countervailable'' sections, above, we verified the information used in making our final determination. We followed standard verification procedures, including meeting with the government and company officials, and examining relevant accounting records and original source documents. Our verification results are outlined in detail in the public versions of the verification reports, which are on file in the CRU.

Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we have calculated individual rates for each of the companies under investigation.

According to section 705(5)(A)(i) of the Act, the all others rate normally will be ''an amount equal to the weighted average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and *de minimis* countervailable subsidy rates and any rates determined entirely under section 776.'' In this case, all exporters and producers individually investigated have zero rates or a rate based entirely on facts available.

According to section 705(5)(A)(ii) of the Act, in situations where the countervailable subsidy rates established for all exporters and producers individually investigated are zero or *de minimis* rates, or are determined entirely under section 776, the Department may use any reasonable method to establish an all others rate. In antidumping duty investigations, where petitions typically have a range of calculated dumping rates, the Department often bases the all others rate on a simple average of the petition rates in such situations. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From Italy,* 64 FR 15458, 15459 (Mar. 31, 1999). In this investigation, we do not have information from the petition that would allow us to calculate the all others rate in this fashion. Therefore, we have considered the options of using a weighted average of the countervailing subsidy rates of the exporters and producers individually examined in this investigation or a simple average of these same rates. Because of concerns about the potential disclosure of proprietary data through the use of a weighted average of the subsidy rates in this case, the Department has decided to use a simple average of the subsidy rates of the producers and exporters examined as the all others rate in this case.

Producer/exporter	Net subsidy rate
P.T. Krakatau Steel ...	47.71% ad valorem
P.T. Gunawan Steel ..	0.00% ad valorem
P.T. Jaya Pari	0.00% ad valorem
All others rate	15.90% ad valorem

In accordance with our preliminary affirmative determination, we instructed the U.S. Customs Service to suspend liquidation of all entries of certain cut-to-length carbon-quality steel plate from Indonesia which were entered, or withdrawn from warehouse, for consumption on or after July 26, 1999, the date of the publication of our preliminary determination in the **Federal Register**. In accordance with section 703(d)(3) of the Act, which provides that suspension ordered after the preliminary determination may not remain in effect for more than four months, we instructed the U.S. Customs Service to discontinue the suspension of liquidation for merchandise entered on or after November 23, 1999, but to continue the suspension of liquidation of entries made between July 26 and November 22, 1999.

We will reinstate suspension of liquidation under section 706(a) of the Act if the ITC issues a final affirmative injury determination, and will require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. Because the estimated net

countervailing duty rates for Gunawan and Jaya Pari are zero, these companies will be excluded from the suspension of liquidation, and the order, if one is issued.

ITC Notification

In accordance with section 705(d) 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 related 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.

If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled. If, however, the ITC determines that such injury does exist, we will issue a countervailing duty order.

Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to Administrative Protective Order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 704(g) and 777(i) of the Act.

Dated: December 13, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–33231 Filed 12–28–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–560–805]

Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon-Quality Steel Plate Products from Indonesia

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

EFFECTIVE DATE: December 29, 1999.

FOR FURTHER INFORMATION CONTACT: Barbara Wojcik-Betancourt or Brian C. Smith, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482–0629 or (202) 482–1766, respectively.

The Applicable Statute: Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (''the Act''), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all citations to the Department of Commerce (''Department'') regulations are to the regulations at 19 CFR Part 351 (1999).

Final Determination: We determine that certain cut-to-length carbon-quality steel plate products (''CTL Plate'') from Indonesia are being sold in the United States at less than fair value (''LTFV''), as provided in section 735 of the Act. The estimated margins are shown in the ''Suspension of Liquidation'' section of this notice.

Case History

Since the preliminary determination (*Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-To-Length Carbon Quality Steel Plate Products from Indonesia,* 64 FR 41206 (July 29, 1999)) (*Preliminary Determination*), the following events have occurred:

On July 23, 1999, the Department received Krakatau's response to the Department's July 8, 1999, supplemental questionnaire. Even though the Department received Krakatau's response three days after the questionnaire response deadline, Department officials examined the data to determine whether Krakatau fully responded to the Department's questionnaire. On July 28, 1999, the Department informed Krakatau that it was not going to proceed with verification of Krakatau's response because it did not adequately address the sales-related and cost-related questions. Also, on July 28, 1999, the petitioners [1] alleged ministerial errors in the preliminary determination. On July 29, and 30, 1999, Krakatau submitted letters objecting to the Department's decision not to conduct verification.

On August 4, 1999, PT Gunawan Dianjaya Steel (''Gunawan'') and PT Jaya Pari Steel Corporation (''Jaya Pari'') submitted a proposal for a suspension agreement to the Department. Department officials subsequently met with counsel for Gunawan/Jaya Pari and an official from the Indonesian government to discuss the likelihood of a suspension agreement (*see* Memorandum to the File from Wendy Frankel, Special Assistant to the Deputy Assistant Secretary, dated August 27, 1999). In that meeting, Department officials indicated that a suspension agreement in this case was unlikely because the proposed agreement did not meet the requisite conditions.

From August 10 through 19, 1999, we conducted verification of Gunawan/Jaya Pari's sales and cost responses to the antidumping questionnaire. On August 17, 1999, the Department issued the amended preliminary determination, correcting certain ministerial errors, and postponed the final determination until no later than 135 days after publication of the preliminary determination (*see Notice of Amendment of the Preliminary Determination of Sales at Less Than Fair Value: Certain Cut-To-Length Carbon-Quality Steel Plate Products from Indonesia,* 64 FR 46341, August 25, 1999) (''*Amended Prelim*'').

On August 24, 1999, Krakatau requested a hearing. In response to numerous improperly filed letters sent by Krakatau between August 12 and 24, 1999, the Department issued a letter to Krakatau on August 25, 1999, explaining the procedures for submitting case and rebuttal briefs and extending the deadlines for submitting such documents.

During September and October 1999, we issued our verification reports for Gunawan/Jaya Pari. The petitioners and Gunawan/Jaya Pari submitted case briefs on October 19, 1999, and rebuttal briefs on October 25, 1999. The Department received Krakatau's case brief on October 14, 1999, and rebuttal brief on October 25, 1999. On October 27, 1999, the Department held a public hearing.

On November 22, 1999, the petitioners alleged that one of the respondents either had not reported certain U.S. sales made during the period of investigation (''POI'') or had not reported price reductions for certain U.S. sales made during the POI. Because we do not have sufficient information on the record to substantiate this allegation, and because this allegation was made at a very late stage of the proceeding, we did not consider it for purposes of this final determination. However, if an antidumping duty order is ultimately issued in this case, we will

[1] The petitioners are Bethlehem Steel Corporation, Gulf States Steel, Inc., IPSCO Steel Inc., Tuscaloosa Steel Corporation, the United Steelworkers of America, and the U.S. Steel Group (a unit of USX Corporation).