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Sunset Review
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October 28, 2004

MEMORANDUM TO: James J. Jochum
Assistant Secretary, Import Administration

FROM: Ronald K. Lorentzen
Acting Director, Office of Policy

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset Review of the Countervailing Duty Order on Stainless Steel Plate in Coils from Belgium; Final Results

Summary

We have analyzed the substantive responses of the interested parties in the sunset review of the countervailing duty ("CVD") investigation covering stainless steel plate in coils ("SSPC") from Belgium. We recommend that you approve the positions we have developed in the "Discussion of the Issues" section of this memorandum. Below is the complete list of the issues in this sunset review for which we received substantive responses:

1. Likelihood of continuation or recurrence of countervailable subsidies
2. Net countervailable subsidy likely to prevail

History of the Order

On March 31, 1999, the Department of Commerce ("Department") published its final affirmative countervailing duty determination in the *Federal Register* with respect to imports of SSPC from Belgium. *See Final Affirmative Countervailing Duty Determination; Stainless Steel Plate in Coils from Belgium, Part III*, 64 FR 15567 (March 31, 1999) *("Final Determination")*. On May 11, 1999, the Department published in the *Federal Register* an amendment to the final determination and a CVD order on SSPC from Belgium. *See Notice of Amended Final Determinations: Stainless Steel Plate in Coils from Belgium and South Africa; and Notice of Countervailing Duty Orders: Stainless Steel Plate in Coils from Belgium, Italy, and South Africa*, 64 FR 25288 (May 11, 1999). In the amended final determination, the following programs were found to confer countervailable subsidies resulting in a net subsidy rate of 2.00 percent for both ALZ N.V. and the "all others" rate:

1.	Regional Subsidies under the Economic Expansion Law of 1970		
	a) Investment and Interest Subsidies[1]		0.02 percent
	b) Accelerated Depreciation		0.50 percent
	c) Expansion Real Estate Tax Exemption to ALZ	0.09 percent	
2.	1985 ALZ Share Subscriptions and Subsequent Transactions	0.09 percent	
3.	Societé Nationale de Credite à L'Industrie ("SNCI") Loans		0.04 percent
4.	Belgian Industrial Finance Company ("Belfin") Loans	0.00 percent	
5.	Industrial Reconversion Zone Program		
	a) Alfin		0.18 percent
	b) Albufin (an ALZ Subsidiary)		0.05 percent
6.	Subsidies Provided to Sidmar that Are Attributable to ALZ		
	a) Assumption of Sidmar's Debt	0.56 percent	
	b) SidInvest		0.47 percent

Since the issuance of the CVD order, the Department has conducted one administrative review for the respondent interested party, Ugine and ALZ Belgium ("U & A Belgium") (formerly ALZ N.V.) for the period September 4, 1998, to December 31, 1999.[2] *See Stainless Steel Plate in Coils from Belgium: Final Results of Countervailing Duty Administrative Review*, 66 FR 45007 (August 27, 2001) ("*Administrative Review*"). In that administrative review, the Department found a net subsidy rate of 3.25 percent for 1998 and 1.78 percent for 1999 for the following countervailable programs:[3]

		1998	1999
Regional Subsidies under the Economic Expansion Law of 1970			
Accelerated Depreciation		0.06	0.00
Expansion Real Estate Tax Exemption	0.10	(ended[4])	
1985 ALZ Share Subscriptions		0.69	0.62

[1]This program was found to be used in the investigation but the allocation period for the grant received under this program ended in 1997 and the program was found not to be used in the administrative review. *See Administrative Review*.

[2]Pursuant to section 351.213(e)(2)(ii) of the Department's regulations, the first administrative review of a CVD order should cover the period from the initial date of suspension of liquidation of the subject merchandise to the end of the most recently completed fiscal year. *See Administrative Review*, 66 FR at 45009.

[3]Based on the Department's practice of calculating subsidy rates on an annual basis, we calculated separate net subsidy rates for ALZ during the calendar years 1998 and 1999.

[4]The tax benefit for Albufin/ALZ expired in 1998. *See Administrative Review* and accompanying Issues and Decision Memorandum (analysis of "Program D").

1987 ALZ Common Share Transaction between GOB and Sidmar	0.07	0.07
SNCI Loans	0.04	0.01
Belfin Loans	0.00	(repaid)
Industrial Reconversion Zones		
Albufin	0.05	0.03
Alfin	0.17	(ended[5])
Subsidies Provided to Sidmar that Are Attributable to ALZ		
Conversion of Sidmar's Debt to Equity OCPC-to-PB	0.67	0.65
SidInvest	0.40	0.40
1984 Purchase of Sidmar's Common and Preference Shares	1.00	(ended[6])

On July 11, 2003, the Court of International Trade remanded to the Department its determination in the first administrative review of SSPC from Belgium regarding the Department's application of its current equityworthiness methodology to Sidmar's 1984 and 1985 equity investments, the Government of Belgium's ("GOB") purchase of Sidmar's common and preference shares in 1984, and the GOB's debt-to-equity conversion for Sidmar. *See ALZ N.V. v. United States*, 283 F. Supp. 2d 1302 (July 11, 2003). The Department issued its redetermination pursuant to court remand on December 10, 2003. *See Final Results of Redetermination pursuant to Court Remand: ALZ N.V. v. United States*, Slip Op. 03-81, Court No. 01-00834 (CIT December 10, 2003). The Department determined in the remand determination to apply the equityworthiness methodology that was in existence at the time of the original investigation. As a result of this remand, the Department recalculated the company-specific margins for ALZ N.V. For the period, September 4 1998, through December 31, 1998, the Department determined the recalculated net subsidy rate for ALZ N.V. to be 1.36 percent; for January 1, 1999, and for the period May 11, 1999, through December 31, 1999, the Department determined the recalculated net subsidy rate for ALZ N.V. to be 0.97 percent. In accordance with section 703(d) of the Tariff Act of 1930, as amended ("the Act") the Department determined that countervailing duties would not be assessed on entries made during the period January 2, 1999, through May 10, 1999. *See Administrative Review*, 66 FR at 45009. On April 22, 2004, the Court affirmed the Department's remand determination. *See ALZ N.V. v United States*, 2004, Ct. Intl. Trade LEXIS 36 (Ct. Intl. Trade, April 22, 2004); *see also Stainless Steel Plate in Coils from Belgium: Notice of Decision of the Court of International Trade*, 69 FR 26075 (May 11, 2004).

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[5]The allocation period for this non-recurring grant ended in 1998. *See Administrative Review* and accompanying Issues and Decision Memorandum (analysis of "Program C").

[6]The allocation period for this non-recurring grant ended in 1998. *See Administrative Review* and accompanying Issues and Decision Memorandum (analysis of "Program G"). The average useful life ("AUL") used to allocate benefits for this Sidmar-related non-recurring grant was 15 years – the AUL for Sidmar-related grant programs examined for the first time in the administrative review – as opposed to an AUL of 19 years used for Sidmar-related non-recurring grants examined in the investigation. *See Administrative Review* and accompanying Issues and Decision Memorandum (analysis of "Allocation Period").

Separately, when the International Trade Commission ("ITC") reversed its original negative injury findings with respect to cold-rolled SSPC as a result of court remand, the Department amended this order to include cold-rolled SSPC and to correct certain old Harmonized Tariff Schedule numbers. *See Notice of Amended Countervailing Duty Orders: Certain Stainless Steel Plate in Coils from Belgium, Italy, and South Africa*, 68 FR 11524 (March 11, 2003) and *Certain Stainless Steel Plate in Coils from Belgium, Italy, and South Africa; Notice of Correction to the Amended Countervailing Duty Orders*, 68 FR 20115 (April 23, 2003). The Department did not change the rate for U & A Belgium or the "all others" rate as a result of this determination.

Background of this Sunset Review

On April 1, 2004, the Department initiated sunset reviews of the CVD orders on SSPC from Belgium, Canada, Italy, South Korea, South Africa, and Taiwan (69 FR 17129) pursuant to section 751(c) of the Act. The Department received the "Notice of Intent to Participate" from the domestic interested parties Allegheny Ludlum Corporation, North American Stainless, and United Steelworkers of America (AFL-CIO/CLC) (collectively "the domestic interested parties") within the deadline specified in section 351.218(d)(1)(i) of the Department's regulations ("Sunset Regulations"). The domestic interested parties claimed interested party status under sections 771(9)(C) and (D) of the Act, as domestic manufacturers of SSPC and a certified union representing workers in the domestic industry producing SSPC. We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). The Department received a waiver of participation from U & A Belgium, a respondent interested party. *See* Response of U & A Belgium, "SSPC from Belgium – Sunset Participation Waiver" (April 30, 2004). We did receive substantive responses from the Government of Flanders and the Government of Belgium (collectively "GOB") and the Delegation of the European Commission ("EU"). *See* Substantive Response of the GOB, (May 3, 2004) ("GOB Response") and the Substantive Response of the EU (April 30, 2004) ("EU Response"). In addition, the GOB and the domestic industry submitted rebuttals on May 10, 2004. *See* Rebuttal of the Domestic Interested Parties (May 10, 2004) ("Domestic Rebuttal") and GOB Rebuttal (May 10, 2004). As a result of inadequate respondent company participation in this sunset review, the Department conducted an expedited (120-day) sunset review of this order pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(*2*). *See* Memorandum to Ronald K. Lorentzen, Acting Office of Policy Director, from Kelly Parkhill, Director of Industry and Support, *Sunset Review of Stainless Steel Plate in Coils from Belgium: Adequacy of Respondent Interested Party Responses to the Notice of Initiations* (May 19, 2004).

Discussion of the Issues

In accordance with section 751(c)(1)(A) of the Act, the Department conducted this sunset review to determine whether revocation of the CVD order would be likely to lead to continuation or recurrence of countervailable subsidies. Section 752(b) of the Act provides that, in making this determination, the Department shall consider both the net countervailable subsidy determined in the investigation and subsequent reviews and whether any change in the programs which gave rise to the net countervailable subsidy determined in the investigation and subsequent reviews has occurred that is likely to affect that net countervailable subsidy. Pursuant to section 752(b)(3) of the Act, the Department shall provide to the ITC the net countervailable subsidy likely to prevail if the order is revoked. In addition, consistent with section 752(a)(6) of the Act, the Department shall provide to the ITC information concerning the nature of the subsidy and whether it is a subsidy described in Article 3 or Article 6.1 of the 1994 WTO Agreement on Subsidies and Countervailing Measures ("Subsidies Agreement").

At the time of the administrative review, the Department found that the following programs no longer provide countervailable benefits to Belgian SSPC producers: investments and interest subsidies; expansion real estate tax exemption; Belfin loans; 1984 purchase of Sidmar's common and preference shares; and industrial reconversion zone subsidies provided to Alfin. *See Administrative Review* and accompanying Issues and Decision Memorandum. In addition, the allocation periods for the following non-recurring grants have ended since the administrative review: 1985 ALZ share subscription and 1985 conversion of Sidmar's debt to equity (OCPC to PB). *See Final Determination*, 64 FR at 15569-15570, 15572.

Below we address the substantive responses and rebuttals of the interested parties. Due to numerous comments, we address the interested parties' comments by category in the following order:

1. <u>Continuation or Recurrence of a Countervailable Subsidy</u>

Comment 1: Termination of Countervailable Programs
Comment 2: Investment and Interest Subsidies and Real Estate Tax Exemption under the Economic Expansion Law of 1970
Comment 3: Accelerated Depreciation under the Economic Expansion Law of 1970
Comment 4: 1985 ALZ Share Subscriptions
Comment 5: 1987 ALZ Common Share Transaction between GOB and Sidmar
Comment 6: Belfin and SNCI Loans
Comment 7: Industrial Reconversion Zone Subsidies
Comment 8: 1985 Conversion of Sidmar's Debt to Equity
Comment 9: 1984 Purchase of Sidmar's Common and Preference Shares
Comment 10: Sidinvest

2. <u>Net Countervailable Subsidy Likely to Prevail</u>

Comment 11: Use of the Rate from the Investigation

1. <u>Continuation or Recurrence of a Countervailable Subsidy: Interested Parties' Comments</u>

Comment 1: Termination of Countervailable Programs

In their May 3, 2004, substantive response, the domestic interested parties state there is evidence of a likelihood of continuation or recurrence of countervailable subsidies if this order were revoked and argue that the revocation of the countervailing duty order on SSPC from Belgium would lead to unfair subsidization by the GOB, as well as material injury to the U.S. industry. *See* Domestic Response at 27-28. In addition, the domestic interested parties, citing to the Department's *Policies Regarding the Conduct of the Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders, Policy Bulletin 98-3* ("*Sunset Policy Bulletin*"), 63 FR 18871 (April 16, 1998) and the Statement of Administrative Action, H. Doc. No. 103-465, vol.1 (1994) ("SAA"), argue that the subsidies found in the investigation continue to confer benefits on Belgian producers/exporters of subject merchandise. *See* Domestic Response at 30.

In their individual responses, the GOB and the EU state that revocation of the order is not likely to lead to recurrence of subsidization because the EU steel sector has undergone a major restructuring in recent years under the careful monitoring of the EU, and steel producers in the EU are now mostly privately operated and compete on commercial terms in international markets. *See* GOB Response and EU Response. In addition, both respondents state that revocation of the order will not impact the EU policy on aid to the steel sector, which is one of the strictest among WTO Members following the adoption of a series of Commission Decisions ("the Community Steel Aid Code"). *Id*. Further, the GOB submits that <u>Commission Decision 2496/96 of December 18, 1996</u> (recently updated as "the Multilateral Steel Framework"), prohibits the granting of aid to the steel industry, except under three distinct circumstances: for the closing of facilities, for environmental reasons, and for research and development. *See* GOB Response and EU Response. Moreover, the GOB and EU argue that in these cases, aid must be approved by the EU. *Id*. In addition, both respondents state that no allegation that any of these types of subsidies has been made to the Belgian producers in this case, and the Belgian industry has not received any substantial assistance since 1988. *Id*. In addition, the GOB and EU state that the specific programs found countervailable in the investigation are now terminated and are therefore no longer available for the Belgian steel industry. *Id*. Both respondents further assert that the benefits allocated under those programs must have been substantially reduced or even eliminated by the passing of time and that any future subsidization of the steel sector is not only highly unlikely but no longer possible. *Id*. In addition, both the GOB and EU argue that the record demonstrates that U & A Belgium never benefitted from any of the EU's schemes which the Department found countervailable in the past. *Id*. Thus, all respondents assert that because the programs deemed countervailable have been terminated or unlikely to be restarted, revocation of the countervailing duty order would not be likely to lead to continuation or recurrence of countervailable subsidies.

The domestic interested parties rebut that although the EU implemented state aid codes for the EU steel industry in 1991 and 1996 to prohibit the member states from granting steel subsidies, the

Department found that U & A Belgium received subsidies in the original investigation. *See* Domestic Rebuttal at 3-4. The domestic interested parties further argue that the state aid codes did not prevent U & A Belgium from receiving countervailable subsidies in the past, *e.g.*, SNCI loans, Belfin loans, and Law of 1970 subsidies, and will not prevent the company from receiving benefits in the future. *Id*. at 4-5.

Department Position:

The arguments raised by the EU and the GOB regarding industry restructuring and changes in steel policy within the EU, have been raised previously. *See Stainless Steel Wire Rod From Italy; Final Results of Sunset Review of Countervailing Duty Order,* 69 FR 40354 (July 2, 2004). Contrary to the assertions of the EU and the GOB, subsidies regarding the environment and research and development may be actionable. We note that, even when the now-expired green light provisions of Article 8 regarding environmental and research and development subsidies were in force, they only applied to programs that met certain strict requirements.

The Department found several subsidy programs countervailable in the original investigation. *See Final Determination,* 64 FR at 15568-15572. As a result of the administrative review, some programs were found to no longer provide benefits to Belgian stainless steel plate in coils producers;[7] however, most of the programs from the investigation continued beyond the period of the administrative review. *See Administrative Review* and accompanying Issues and Decision Memorandum (Analysis of Programs). Contrary to the assertions of the EU and the GOB, many of these remaining programs have some residual benefits beyond the period of the sunset review. *See Final Determination* and *Administrative Review*. The Department will normally determine that a countervailable subsidy will continue to exist when the benefit stream continues beyond the completion date of the sunset review without regard to whether the program that gave rise to the benefit continues to exist. Because benefits from the accelerated depreciation under the economic expansion Law of 1970, the 1987 ALZ common share transaction between the GOB and Sidmar, SNCI loans, industrial reconversion subsidies to Albufin, and SidInvest continue, we determine that there are continuing countervailable subsidies.

Comment 2: Investment and Interest Subsidies and Expansion Real Estate Tax Exemption under the Economic Expansion Law of 1970

The GOB states that the allocation period for grants provided under these programs has ended and these programs should be considered terminated and not likely to lead to a continuation or

[7] Specifically, the Department found that benefits under Expansion Real Estate Exemption, Belfin Loans (repaid), Industrial Reconversion Zone Subsidies to Alfin and 1984 Purchase of Sidmar’s Common and Preference Shares had ended.

recurrence of subsidization in the future.[8] *See* GOB Response.

In their collective rebuttal, the domestic interested parties state that the GOB and the EU have failed to demonstrate that U & A Belgium has not received new subsidies under this program. *See* Domestic Rebuttal. Citing to the GOB's response, the domestic interested parties contend that the GOB implies that it continued to provide other subsidies under Law of 1970, such as accelerated depreciation, and therefore, the Department should find that these subsidies are likely to continue or recur if the order is revoked. *Id*.

<u>Department's Position</u>

The Department found in the investigation that the GOB provided investment and interest subsidies under the 1970 law as a non-recurring grant in 1983. *See Final Determination*, 64 FR at 15569. The allocation period for that non-recurring grant ended in 1997. *Id.* The real estate tax benefit for Albufin/ALZ expired in 1998. *See Administrative Review* and accompanying Issues and Decision Memorandum (analysis of "Program D"). Therefore, the Department determines that there are no longer any countervailable subsidies under these programs.

Comment 3: Accelerated Depreciation under the Economic Expansion Law of 1970

The GOB states that U & A Belgium did not use Law of 1970 accelerated depreciation after 1998, and the European Commission decided on June 21, 2001, that the GOB should no longer be allowed to grant this subsidy. *See* GOB Response at Annex 1, para. D.2. *citing* Letter of the European Commission, SG(2001) D/289305 (June 21, 2001). The GOB further stated that the Flemish Government implemented this decision on December 12, 2003; therefore, it is legally impossible for U & A Belgium to receive this subsidy in the future. *Id*.

In their rebuttal the domestic interested parties state the Department found accelerated depreciation to be countervailable in the investigation and subsequent administrative review. *See* Domestic Rebuttal at 5. The domestic interested parties also point out that the GOB confirmed that U & A Belgium was eligible to receive new accelerated depreciation subsidies under this program until December 12, 2003. *Id*. Because it is unclear whether any previously bestowed subsidies under this program can be carried forward, the domestic interested parties contend that it is entirely possible, and likely, that U & A Belgium will continue to benefit from new accelerated depreciation subsidies beyond December 2003. *Id*. at 6.

<u>Department's Position</u>

[8] The EU defers to the GOB for comments on the countervailable programs. *See* EU Response.

The Department found that accelerated depreciation was a recurring tax benefit in the investigation. In the administrative review, the Department found that U & A Belgium benefitted from the program in 1998 but did not use this program in 1999, as the company was in a tax loss position. *See Administrative Review* and accompanying Issues and Decision Memorandum (analysis of "Program D"). The GOB states that the Flemish Government implemented a 2001 EU decision that terminated this program in December 2003. However, the GOB provided no supporting documentation regarding this implementation, nor any information indicating whether benefits received earlier under this program had, or had not been carried forward beyond December 2003. Therefore, given the lack of evidence to the contrary, the Department determines that there are continuing countervailable subsidies from this program.

Comment 4: 1985 ALZ Share Subscriptions

The GOB states that the share subscriptions were granted in 1985, and the program's AUL is now over. *See* GOB Response at Annex 1, para. A. Therefore, the GOB requests that the Department determine that this program expired.

Department's Position

The 19-year allocation period for this program ended in 2003. *See Final Determination*, 64 FR at 15569-15570. Therefore, the Department determines that there is no longer a countervailable subsidy under this program.

Comment 5: 1987 ALZ Common Share Transaction between GOB and Sidmar

The GOB argues that because the benefits of this program will expire in 2005, this program will give no further significant benefits to U & A Belgium. *See* GOB Response at Annex 1, para. B. Given the Department's declining balance methodology, any remaining benefit currently provided by the program is negligible *Id*. The Department should take this into account in its likelihood determination.

Department's Position

With respect to benefits allocated over time, the Department's practice is to consider whether the benefits are likely to continue after the end of the sunset review. In this case, the 19-year allocation period extends through 2005, after the end of the sunset review. Therefore, the Department determines that there are continuing countervailable subsidies under this program.

Comment 6: Belfin and SNCI Loans

The GOB states the Belfin loan was repaid in 1998. Therefore, the Department should find that subsidies from this program are not likely to continue or recur if the order is revoked. The GOB acknowledges that loans provided under the SNCI program are still outstanding but notes that only negligible benefits are provided to the Flemish steel sector. *See* GOB Response at Annex 1, para. F.

In their rebuttal, the domestic interested parties note that the GOB confirms that U & A Belgium still continues to receive benefits from SNCI loans. *See* Domestic Rebuttal at 5. The domestic interested parties contend that because the level of benefits fluctuates from year to year based on the amount of the outstanding loans and variable interest rates, U & A Belgium could receive benefits substantially greater than found in previous years. *Id*. Therefore, the Department should find that this subsidy is likely to continue or recur if the order were revoked.

Department's Position

The Belfin loan was repaid in 1998 and was not used in 1999.[9] The Department determines that there are no longer any countervailable subsidies from this program. With respect to SNCI loans, the GOB has confirmed that loans provided under this program are still outstanding and that benefits continue to be received. Therefore, the Department determines that there are continuing countervailable subsidies from SNCI loans.

Comment 7: Industrial Reconversion Zone Subsidies

The GOB states that the subsidies under this program related to Alfin ended in 1998. With respect to the subsidies related to Albufin, the GOB argues that any tax savings are negligible. *See* GOB Response at Annex 1, para. C.

Department's Position

Distinct subsidies were provided to Alfin and Albufin under this program. The 15-year allocation period for industrial reconversion zone subsidies provided to Alfin ended in 1998. *See Administrative Review* and accompanying Issues and Decision Memorandum (analysis of "Program C"). However, the GOB has confirmed that tax benefits under this program continue with respect to Albufin. Therefore, the Department determines that there are continuing countervailable subsidies from the Industrial Reconversion Zone program.

Comment 8: 1985 Conversion of Sidmar's Debt to Equity

The GOB states that the allocation period for this program ended in 2003. *See* GOB Response

[9]The rate for this program in the investigation was 0.00 percent. *See Final Determination*, 64 FR at 15571.

at Annex 1, para. G.2. Therefore, the GOB requests that the Department determine that this program expired.

Department's Position

The 19-year allocation period for this program ended in 2003. *See Final Determination*, 64 FR at 15572. Therefore, the Department determines that there is no longer a countervailable subsidy under this program.

Comment 9: 1984 Purchase of Sidmar's Common and Preference Shares

The GOB states that the allocation period for this program ended in 1998. *See* GOB Response at Annex 1, para. G.1. Therefore, the GOB requests that the Department determine that this program expired.

Department's Position

The 15-year allocation period for this program ended in 1998. *See Administrative Review* and accompanying Issues and Decision Memorandum (analysis of "Program G"). Therefore, the Department determines that there is no longer a countervailable subsidy under this program.

Comment 10: SidInvest

The GOB states that the benefit was provided in 1988 with a 19-year allocation period that will end in 2006. *See* GOB Response at para.G.3. Given the Department's declining balance methodology, any remaining benefit currently provided by the program is negligible *Id*. The Department should take this into account in its likelihood determination.

Department's Position

With respect to benefits allocated over time, the Department's practice is to consider whether the benefits are likely to continue after the end of the sunset review. In this case, the allocation period extends through 2006, after the end of the sunset review. Therefore, the Department determines that there are continuing countervailable subsidies under this program.

2. Net Countervailable Subsidy Likely to Prevail: Interested Party Comments:

Comment 11: Use of Rate from the Investigation

In their substantive response, the domestic interested parties recommend that the Department maintain its stated policy of selecting rates from the original investigation to report to the ITC. *See*

Domestic Response at 38; *see also* Domestic Rebuttal at 7. Accordingly, they contend that the Department should inform the ITC that the margin of 2.00 percent for U & A Belgium and all other Belgian companies covered by the order will likely prevail if revocation occurs. *Id*.

Department's Position

The Department normally will provide to the ITC the company-specific rate from the investigation for each company. For companies not investigated specifically or for companies that did not begin shipping until after the order was issued, the Department normally will provide a rate based on the "All Others" rate from the investigation. However, this rate may not be the most appropriate rate if, for example, the rate was derived from subsidy programs which were found in subsequent reviews to be terminated, there has been a program-wide change, or the rate ignores a program found to be countervailable in a subsequent administrative review. In such cases, adjustments should be made to the investigation rate to reflect intervening changes in the subsidy programs originally found countervailable. In this instance, the domestic interested parties request that the Department determine that the countervailable subsidy margins from the investigation (U & A Belgium and all other Belgian manufacturers at 2.00 percent) are the margins that are likely to prevail if this order were revoked. *See* Domestic Response at 38; *see also* Domestic Rebuttal at 7. However, because a number of programs have ended, the Department finds that it is appropriate in this case to adjust for programs that ended during the period of sunset review. *See* Attached Memorandum from Hilary Sadler, Esq., Office of Policy to Kelly Parkhill, Director, Industry Support and Analysis (October 28, 2004).

Final Results of Review

For the reasons discussed above, we determine that there is a likelihood that countervailable subsidies would continue or recur were the order revoked. We also determine that such countervailable subsidies will likely continue or recur at the rates listed below:

Manufacturers/Exporters/Producers	Weighted-Average Margin (percent)
Ugine & ALZ Belgium	1.13
All Others	1.13

Recommendation

Based on our analysis of the substantive response received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the final results of review in the *Federal Register*.

AGREE ____X_____   DISAGREE_________

ORIGINAL SIGNED

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James J. Jochum
Assistant Secretary
  for Import Administration

10/28/04

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(Date)