provided to the representatives of the government of South Africa. We will attempt to provide a copy of the public version of the petition to each producer named in the petition, as appropriate.

International Trade Commission Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, no later than May 29, 2003, whether there is a reasonable indication that imports of HMCBs are causing material injury, or threatening to cause material injury, to a U.S. industry. A negative ITC determination will result in this investigation being terminated; otherwise, this investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 777(i) of the Act.

Dated: May 5, 2003.

Joseph A. Spetrini,

Acting Assistant Secretaryfor Import Administration.

[FR Doc. 03–11745 Filed 5–9–03; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[A-485–805]

Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Romania: Preliminary Results of Antidumping Duty Administrative Review

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

ACTION: Notice of Preliminary Results of Antidumping Duty Administrative Review.

SUMMARY: In response to a request by S.C. Silcotub S.A. (Silcotub), a producer/exporter of subject merchandise, the Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain small diameter carbon and alloy seamless standard, line and pressure pipe (seamless pipe) from Romania. The period of review (POR) is August 1, 2001, through July 31, 2002.

We preliminarily find that sales have not been made below normal value (NV). If these preliminary results are adopted in our final results of administrative review, we will instruct the U.S. Bureau of Customs and Border Protection (BCBP) to assess no antidumping duties on the subject merchandise that was exported by Silcotub and entered during the POR.

EFFECTIVE DATE: May 12, 2003.

FOR FURTHER INFORMATION CONTACT: Martin Claessens or Monica Gallardo, Group II, Office 5, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–5451 or (202) 482–3147, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 10, 2000, the Department published an antidumping duty order on certain small diameter carbon and alloy seamless standard, line and pressure pipe from Romania. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Romania*, 65 FR 48963 (August 10, 2000) (*Amended Final Determination*). On August 29, 2002, Silcotub requested an administrative review. On August 30, 2002, United States Steel Corporation (U.S. Steel), a domestic producer of seamless pipe and an interested party to this proceeding, also requested an administrative review. On September 20, 2002, the Department initiated the current administrative review. *See Notice of Initiation of Antidumping and Countervailing Duty Administrative Reviews, Requests for Revocation in Part and Deferral of Administrative Review*, 67 FR 60210 (September 25, 2002). Since the initiation of this administrative review, the following events have occurred:

On October 21, 2002, we issued an antidumping questionnaire to Silcotub. We received questionnaire responses from Silcotub on November 22 and December 13, 2002. We issued a supplemental questionnaire on January 22, 2003, to which we received responses on February 25 and February 28, 2003. On April 4, 2003, U.S. Steel requested that the Department extend the deadline for the preliminary results. The deadline was not extended.

Scope of the Order

The products covered by the order are seamless carbon and alloy (other than stainless) steel standard, line, and pressure pipes and redraw hollows produced, or equivalent, to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and the API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of the order also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters described below, regardless of specification. Specifically included within the scope of the order are seamless pipes and redraw hollows, less than or equal to 4.5 inches (114.3 mm) in outside diameter, regardless of wall-thickness, manufacturing process (hot finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish.

The seamless pipes subject to the order are currently classifiable under the subheadings 7304.10.10.20, 7304.10.50.20, 7304.31.30.00, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (HTSUS).

Specifications, Characteristics, and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the ASTM A-106 standard may be used in temperatures of up to 1000 degrees Fahrenheit, at various ASME code stress levels. Alloy pipes made to ASTM A-335 standard must be used if temperatures and stress levels exceed those allowed for ASTM A-106. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements. If exceptionally low temperature uses or conditions are anticipated, standard pipe may be manufactured to ASTM A-333 or ASTM A-334 specifications.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipe lines. Seamless line pipes are produced to the API 5L specification.

Seamless water well pipe (ASTM A-589) and seamless galvanized pipe for fire protection uses (ASTM A-795) are used for the conveyance of water.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53, API 5L-B, and API 5L-X42 specifications. To avoid maintaining separate production runs and separate inventories, manufacturers typically triple or quadruple certify the pipes by meeting the metallurgical requirements and performing the required tests pursuant to the respective specifications. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple or quadruple certified pipes is use in pressure piping systems by refineries, petrochemical plants, and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, ASTM A-106 pipes may be used in some boiler applications.

Redraw hollows are any unfinished pipe or ''hollow profiles'' of carbon or alloy steel transformed by hot rolling or cold drawing/hydrostatic testing or other methods to enable the material to be sold under ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications.

The scope of the order includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, with the exception of the specific exclusions discussed below, and whether or not also certified to a non-covered specification. Standard, line, and pressure applications and the above-listed specifications are defining characteristics of the scope of the order. Therefore, seamless pipes meeting the physical description above, but not produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications shall be covered if used in a standard, line, or pressure application, with the exception of the specific exclusions discussed below.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in ASTM A-106 applications. These specifications generally include ASTM A-161, ASTM A-192, ASTM A-210, ASTM A-252, ASTM A-501, ASTM A-523, ASTM A-524, and ASTM A-618. When such pipes are used in a standard, line, or pressure pipe application, with the exception of the specific exclusions discussed below, such products are covered by the scope of the order.

Specifically excluded from the scope of the order is boiler tubing and mechanical tubing, if such products are not produced to ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-335, ASTM A-589, ASTM A-795, and API 5L specifications and are not used in standard, line, or pressure pipe applications. In addition, finished and unfinished OCTG are excluded from the scope of the order, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in this scope when used in standard, line or pressure applications.

With regard to the excluded products listed above, the Department will not instruct BCBP to require end-use certification until such time as petitioner or other interested parties provide to the Department a reasonable basis to believe or suspect that the products are being used in a covered application. If such information is provided, we will require end-use certification only for the product(s) (or specification(s)) for which evidence is provided that such products are being used in covered applications as described above. For example, if, based on evidence provided by petitioner, the Department finds a reasonable basis to believe or suspect that seamless pipe produced to the A-161 specification is being used in a standard, line or pressure application, we will require end-use certifications for imports of that specification. Normally we will require only the importer of record to certify to the end use of the imported merchandise. If it later proves necessary for adequate implementation, we may also require producers who export such products to the United States to provide such certification on invoices accompanying shipments to the United States.

Although the HTSUS subheadings are provided for convenience and BCBP purposes, our written description of the merchandise subject to this scope is dispositive.

Duty Absorption

On October 25, 2002, U.S. Steel requested that the Department determine whether or not antidumping duties had been absorbed during the POR. Section 751(a)(4) of the Tariff Act of 1930, as amended, (the Act) provides for the Department, if requested, to determine during an administrative review initiated two or four years after the publication of the order, whether antidumping duties have been absorbed by a foreign producer or exporter, if the subject merchandise is sold in the United States through an affiliated importer. In this case, Silcotub sold to the United States through an importer that is affiliated with Silcotub within the meaning of section 771(33) of the Act.

Because this review was initiated two years after the publication of the antidumping duty order, we will make a duty absorption determination in this segment of the proceeding. Because we preliminarily find an absence of dumping in this review, there is no basis under the statute for a finding that any antidumping duties have been absorbed by Silcotub or its affiliated U.S. importer.[1] If these results remain unchanged in the final results of this review, we will continue to find that no duties were absorbed by Silcotub or its affiliated U.S. importer during the POR.

Separate Rates

Romania's designation as a NME country remained in effect until January 1, 2003.[2] We are therefore treating

[1] *See Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, From Germany: Preliminary Results of Antidumping Duty Administrative Review*, 66 FR 51375 (October 9, 2001).

[2] In *Certain Small Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Romania: Final Results of Antidumping Duty Administrative Review*, 68 FR 12672, 12673 (March 17, 2003), the Department reviewed the non-market economy status of Romania and determined to reclassify Romania as a market economy for purposes of antidumping and countervailing duty proceedings, pursuant to section 771(18)(A) of the Act, effective January 1, 2003. *See* Memorandum from Lawrence Norton, Import Policy Analyst, to Joseph Spetrini, Acting Assistant Secretary for Import Administration: Antidumping Duty Administrative Review of Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Romania--Non-Market Economy Status Review (March 10, 2003), placed on the record of this administrative review. The March 10, 2003 decision with respect to Romania's NME status provided that:

This finding will apply to all future administrative proceedings covering periods of investigation or review that fall after January 1, 2003. Where a proceeding's period of investigation or review begins before January 1, 2003, but ends after that date, the Department will use the standard

Romania as an NME country for purposes of this review.

It is the Department's standard policy to assign all exporters of subject merchandise subject to review in a non-market economy (NME) country a single rate unless an exporter can demonstrate an absence of government control, both in law and in fact, with respect to exports. To establish whether an exporter is sufficiently independent of government control to be entitled to a separate rate, the Department analyzes the exporter in light of the criteria established in the *Final Determination of Sales at Less Than Fair Value: Sparklers from the People's Republic of China*, 56 FR 20588 (May 6, 1991) (*Sparklers*), as amplified in *Final Determination of Sales at Less Than Fair Value: Silicon Carbide from the People's Republic of China*, 59 FR 22585 (May 2, 1994) (*Silicon Carbide*). Under this test, exporters in NME countries are entitled to separate, company-specific margins when they can demonstrate an absence of government control over exports, both in law (*de jure*) and in fact (*de facto*).

Absence of De Jure Control

Evidence supporting, though not requiring, a finding of *de jure* absence of government control over export activities includes: (1) An absence of restrictive stipulations associated with an individual exporter's business and export licenses; (2) Any legislative enactments decentralizing control of companies; and (3) Any other formal measures by the government decentralizing control of companies. *See Sparklers*, 56 FR at 20589.

Absence of De Facto Control

A *de facto* analysis of absence of government control over exports is based on four factors -- whether the respondent: 1) sets its own export prices independently of the government and other exporters; 2) retains the proceeds from its export sales and makes independent decisions regarding the disposition of profits or financing of losses; 3) has the authority to negotiate and sign contracts and other agreements; and 4) has autonomy from the government regarding the selection of management. *See Silicon Carbide*, 59 FR at 22587; *see also Sparklers*, 56 FR at 20589.

We have determined, according to the criteria identified in *Sparklers* and *Silicon Carbide*, that evidence on the record demonstrates an absence of government control, both in law and in fact, with respect to exports by Silcotub. Silcotub is a private joint stock commercial company organized under the Romanian Commercial Companies Law, Law No. 31/1990, as amended. Silcotub is limited only by its articles of incorporation and bylaws. Specifically, the information on the record shows that Silcotub is autonomous in selecting its management, negotiating and signing contracts, setting its own export prices and retaining its own profits. For a complete discussion of the Department's analysis regarding Silcotub's entitlement to a separate rate, *see* the May 5, 2003 memorandum, Assignment of Separate Rates for S.C. Silcotub S.A., which is on file in the Central Record Unit (CRU), Room B-099, U.S. Department of Commerce, Pennsylvania Avenue and 14th Street, NW, Washington, DC 20230.

Constructed Export Price

For all sales made by Silcotub to the United States, we used constructed export price (CEP) in accordance with section 772(b) of the Act because the first sale to an unaffiliated purchaser occurred after importation of the merchandise into the United States. We calculated CEP based on the packed, ex-warehouse or delivered prices from Silcotub's U.S. affiliate to unaffiliated customers. In accordance with section 772(c) of the Act, we made deductions, where appropriate, from the starting price for CEP for foreign inland freight, foreign brokerage and handling, international freight, marine insurance, BCBP duties, U.S. brokerage and handling, and other U.S. transportation expenses such as wharfage, stevedoring, and surveying. For the deductions of foreign inland freight and foreign brokerage and handling, we used Egyptian surrogate values because these services were provided by Romanian companies and paid for in Romanian lei. In accordance with section 772(d)(1) of the Act, we made further deductions for the following selling expenses that related to economic activity in the United States: credit expenses, direct selling expenses (*i.e.*, bank charges), and indirect selling expenses (including inventory carrying costs). In accordance with section 772(d)(3) of the Act, we have deducted from the starting price an amount for profit.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine the NV using a factors-of-production methodology if: (1) the merchandise is exported from an NME country; and (2) the information does not permit the calculation of NV using home-market prices, third-country prices, or constructed value (CV) under section 773(a) of the Act.

As noted above, the Department is treating Romania as an NME country for purposes of this review. Furthermore, information available on the record of this review does not permit the calculation of NV using home market prices, third country prices, or CV under section 773(a) of the Act. Thus, the Department calculated NV in this review by valuing the factors of production in a surrogate country.

Surrogate Country

Section 773(c)(4) of the Act requires the Department to value the NME producer's factors of production, to the extent possible, in one or more market economy countries that: (1) are at a level of economic development comparable to that of the NME, and (2) are significant producers of comparable merchandise. We chose Egypt as the surrogate country on the basis of the criteria set out in 19 CFR 351.408(b). For a further discussion of our surrogate selection, see the May 5, 2003, memorandum Selection of Surrogate Country. (This memorandum is on file in the Department's CRU.)

Factors of Production

We used publicly available information from Egypt to value the various factors of production. Because some of the Egyptian data were not contemporaneous with the POR, we adjusted the data, expressed in U.S. dollars, to the POR using the U.S. producer price index published by the International Monetary Fund.

In accordance with section 773(c) of the Act, we valued Silcotub's reported factors of production by multiplying them by publicly available Egyptian values. In selecting the surrogate values, we considered the quality, specificity, and contemporaneity of the data. As appropriate, we adjusted input prices to make them delivered prices. We added to Egyptian surrogate values a surrogate freight cost using the reported distance from each supplier to the factory because this distance was shorter than the distance from the nearest seaport to the factory. This adjustment is in accordance with the decision of the Court of Appeals for the Federal Circuit in *Sigma Corp. v. United States*, 117 F.3d 1401 (Fed. Cir. 1997).

We valued material inputs and packing material (*i.e.*, where applicable, plastic caps, lacquer, and ink) by

market economy methodology if it determines that a sufficient period of time has passed so that adequate market economy data is available. In addition, the U.S. countervailing duty law will apply now to Romania where the proceeding at issue involves an adequate period of investigation after this effective date.

Harmonized Tariff Schedule (HTS) number, using imports statistics from the Egyptian Central Agency for Public Mobilization and Statistics, National Information Center. Where a material input was purchased in a market economy currency from a market economy supplier (*i.e.*, billet, strap, clips, and tags), we valued the input at the actual purchase price in accordance with section 351.408(c)(1) of the Department's regulations. We note that, although billets were purchased from both a market-economy supplier and non-market-economy supplier, we are valuing all billets based on the price for the market-economy purchase. This methodology is consistent with section 351.408(c)(1) of the Department's regulations in that the Department will normally value the factor using the price paid to the market economy supplier, where a portion of a factor is purchased from a market economy and the remainder is purchased from an NME supplier.

For the cold-drawn products, we have adjusted the amount of billet inputs toaccount more accurately for combined yield loss of the producer. We have adjusted the scrap offset accordingly.[3]

We valued labor using the method described in 19 CFR 351.408(c)(3) of the Department's regulations. For a complete analysis of surrogate values, *see* the May 5, 2003, memorandum, Factors of Production Valuation for Preliminary Results (Valuation Memorandum), on file in the CRU.

To value electricity, we used the 2001 electricity rates for Egypt reported on the website of the International Trade Administration under ''Trade Information Center.'' *See www.web.ita.doc.gov/ticwebsite/neweb.nsf/.* We based the value of natural gas in Egypt on a published article that shows the price at which the Government of Egypt purchased natural gas, also used in the final results of the previous administrative review and placed on the record of this review.[4]

We based our calculation of factory overhead and selling, general and administrative (SG&A) expenses, as well as profit, on 1998/99 financial statements of El-Naser Steel Pipes & Fittings Co., an Egyptian producer of comparable merchandise.

To value truck freight rates, we used a 1999 rate (adjusted for inflation) provided by a trucking company located in Egypt. For rail transportation, we valued rail rates in Egypt using information used in *Titanium Sponge from the Republic of Kazakhstan: Notice of Final Results of Antidumping Duty Administrative Review*, 64 FR 66169 (November 24, 1999), which were initially obtained from a 1999 letter from the Egyptian International House, and have been placed on the record of this review.

For brokerage and handling, we used a 1999 rate (adjusted for inflation) provided by a trucking and shipping company located in Alexandria, Egypt. For further details, see Valuation Memorandum.

Currency Conversion

We made currency conversions in accordance with Section 773(A)(a) of the Act. For currency conversions involving the Egyptian pound, we used exchange rates published by the International Monetary Fund in *International Financial Statistics*. For all other conversions, we used daily exchange rates published by the Federal Reserve Bank.

Preliminary Results of the Review

We preliminarily determine that the following dumping margin exists for the period August 1, 2001, through July 31, 2002.

Exporter/manufacturer	Weighted-average margin percentage
Silcotub	0.00

Within five days of the date of publication of this notice, in accordance with 19 CFR 351.224, the Department will disclose its calculations. Any interested party may request a hearing within 30 days of the date of publication of this notice. Any hearing, if requested, will be held approximately 42 days after the publication of this notice, or the first workday thereafter. Issues raised in hearings will be limited to those raised in the case and rebuttal briefs. Interested parties may submit case briefs within 30 days of the date of publication of this notice, or the first workday thereafter. Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than 35 days after the date of publication of this notice, or the first workday thereafter. Parties who submit case briefs or rebuttal briefs in this review are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument. Parties are also requested to submit such arguments, and public versions thereof, with an electronic version on a diskette.

Assessment

Upon completion of this administrative review, the Department will determine, and the BCBP shall assess, antidumping duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(1), we have calculated an exporter/importer (or customer)-specific assessment rate for merchandise subject to this review. The Department will issue appropriate assessment instructions to the BCBP within 15 days of publication of the final results of review. If these preliminary results are adopted in the final results of review, we will direct the BCBP to assess no antidumping duties on the merchandise subject to review pursuant to 19 CFR 351.106(c)(2). For the final results, if any importer-specific assessment rate is above *de minimis*, we will instruct BCBP to assess duties accordingly. This rate will be assessed uniformly on all entries of that particular importer made during the POR.

Cash Deposit Requirements

The following deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of seamless pipe from Romania entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(c) of the Act: (1) For subject merchandise exported by Silcotub, which has a separate rate, the cash deposit rate will be zero if Silcotub's rate in the final results of review continues to be less than 0.5 percent and, therefore, *de minimis*; (2) for merchandise exported by companies not covered in this review but covered in

[3] *See* Memorandum From Martin Claessens to the File, Analysis Memorandum for Preliminary Results (May 5, 2003).

[4] *See Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Romania: Final Results of Antidumping Administrative Review*, 68 FR 12672 (March 17, 2003) and corresponding Issues and Decisions Memorandum at Comment 3. *See also* Valuation Memorandum.

the original less than fair value (LTFV) investigation, the cash deposit will continue to be the most recent rate published in the final determination for which the exporter received a company-specific rate; and (3) if the exporter is not a firm covered in this review or the LTFV investigation, the cash deposit rate will be 13.06 percent, the ''Romania-Wide'' rate established in the LTFV investigation. *See Notice of Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe From Romania*, 65 FR 48963 (August 10, 2000). These cash deposit requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

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

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

Dated: May 5, 2003.

Joseph Spetrini,

Acting Assistant Secretaryfor Import Administration.

[FR Doc. 03–11746 Filed 5–9–02; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C-122–815]

Pure Magnesium and Alloy Magnesium from Canada: Preliminary Results of Countervailing Duty Administrative Reviews

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

ACTION: Notice of Preliminary Results of Countervailing Duty Administrative Reviews.

SUMMARY: The Department of Commerce is conducting administrative reviews of the countervailing duty orders on pure magnesium and alloy magnesium from Canada for the period January 1, 2001 through December 31, 2001. We preliminarily find that certain producers/exporters have received countervailable subsidies during the period of review. If the final results remain the same as these preliminary results, we will instruct the Customs Service to assess countervailing duties as detailed in the ''Preliminary Results of Review'' section of this notice. Interested Parties are invited to comment on these preliminary results (*see* the Public Comment section of this notice).

EFFECTIVE DATE: May 12, 2003.

FOR FURTHER INFORMATION CONTACT: Melanie Brown, AD/CVD Enforcement, Group I, Office 1, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482–4987

SUPPLEMENTARY INFORMATION:

Case History

On August 31, 1992, the Department of Commerce (''the Department'') published in the Federal Register the countervailing duty orders on pure magnesium and alloy magnesium from Canada (57 FR 39392). On August 6, 2002, the Department published a notice of ''Opportunity to Request Administrative Review'' of these countervailing duty orders (67 FR 50856). We received a timely request for review of Norsk Hydro Canada, Inc. (''NHCI'') and Magnola Metallurgy, Inc. (''Magnola'') from the petitioner, U.S. Magnesium, LLC. On September 25, 2002, we initiated this review covering shipments of subject merchandise from NHCI and Magnola (67 FR 60210).

On December 3, 2002, we published *Pure and Alloy Magnesium from Canada: Correction of Notice of Initiation and Partial Rescission of Countervailing Duty Administrative Review* (67 FR 71936). In that notice, we stated that the correct POR for these administrative reviews is January 1, 2001 through December 31, 2001, and rescinded the reviews with respect to Magnola, because Magnola is currently a party in a new shipper administrative review covering the same POR and the same subject merchandise. Therefore, in accordance with 19 CFR 351.213(b), these reviews cover NHCI, a producer/exporter of the subject merchandise. These reviews cover 16 subsidy programs.

On December 5, 2002, we issued countervailing duty questionnaires to NHCI, the Government of Québec (''GOQ''), and the Government of Canada (''GOC''). We received questionnaire responses from the GOQ and the GOC on January 13, 2003, and from NHCI on January 27, 2003.

Scope of the Reviews

The products covered by these reviews are shipments of pure and alloy magnesium from Canada. Pure magnesium contains at least 99.8 percent magnesium by weight and is sold in various slab and ingot forms and sizes. Magnesium alloys contain less than 99.8 percent magnesium by weight with magnesium being the largest metallic element in the alloy by weight, and are sold in various ingot and billet forms and sizes.

The pure and alloy magnesium subject to review is currently classifiable under items 8104.11.0000 and 8104.19.0000, respectively, of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, the written descriptions of the merchandise subject to the orders are dispositive.

Secondary and granular magnesium are not included in the scope of these orders. Our reasons for excluding granular magnesium are summarized in *Preliminary Determination of Sales at Less Than Fair Value: Pure and Alloy Magnesium From Canada*, 57 FR 6094 (February 20, 1992).

Period of Review

The period of review (''POR'') for which we are measuring subsidies is from January 1, 2001 through December 31, 2001.

Subsidies Valuation Information

Discount rate: As noted below, the Department preliminarily finds that NHCI benefitted from one countervailable subsidy program during the POR: Article 7 grants from the Québec Industrial Development Corporation. As in the investigations and previous administrative reviews of these cases, we have used the company's cost of long-term, fixed-rate debt in the year in which this grant was approved as the discount rate for purposes of calculating the benefit pertaining to the POR.

Allocation period: In the investigations and previous administrative reviews of these cases, the Department used as the allocation period for non-recurring subsidies, the average useful life (''AUL'') of renewable physical assets in the magnesium industry as recorded in the Internal Revenue Service's 1977 Class Life Asset Depreciation Range System (''the IRS tables''), *i.e.*, 14 years. Pursuant to section 351.524(d)(2) of the countervailing duty regulations, the Department will use the AUL in the IRS tables as the allocation period unless a