

from investments made after April 10, 1998. Therefore, we preliminarily conclude that SEC did not receive countervailable benefits under this program. Additionally, Hynix reported no taxable income for the POI and, therefore, claimed no credits and received no benefits under this tax program.

4. Tax Credit for Investment in Facilities for Special Purposes (Article 25 of RSTA)

Article 25 of the RSTA provides tax credits equal to three percent of the company's investment in specified facilities related to, among other things, environmental and health and safety measures. The credits are deducted from the company's corporate income tax liability. Article 25 of the RSTA was among the programs found in *Cold-Rolled Steel* to have eliminated the import substitution tax advantage for eligible investments made after April 10, 1998. Thus, tax credits based on investments made after that date are not countervailable.

Hynix reported no taxable income for the POI and, therefore, claimed no credits and received no benefits under this tax program. SEC claimed credits under this program in its 2001 tax return for tax year 2000, but not in its 2002 tax return for tax year 2001. However, SEC reports that all tax credits it earned under the program for the POI were based on investments made after April 10, 1998. Moreover, SEC reports that it did not carry forward any tax credits from years prior to April 10, 1998. Therefore, we preliminarily find that neither Hynix nor SEC received a benefit from this program during the POI.

III. Programs Preliminarily Determined Not To Have Been Used

Based on the information provided in the responses, we determine no responding companies applied for or received benefits under the following programs during the POI:

- A. Short-Term Export Financing
- B. Tax Programs Under the TERCL and/or the RSTA
 1. *Reserve for Overseas Market Development (formerly, Article 17 of TERCL)*
 2. *Reserve for Export Loss (formerly, Article 16 of TERCL)*
 3. *Tax Exemption for Foreign Technicians (Article 18 of RSTA)*
 4. *Reduction of Tax Regarding the Movement of a Factory That Has Been Operated for More Than Five Years (Article 71 of RSTA)*

C. Tax Reductions or Exemption on Foreign Investments under Article 9 of the Foreign Investment Promotion Act ("FIPA")/FIPA (Formerly Foreign Capital Inducement Law)

D. Duty Drawback on Non-Physically Incorporated Items and Excessive Loss Rates

E. Export Insurance

The Korean Export Insurance Corporation ("KEIC") was established pursuant to the Export Insurance Act of 1968 for the purpose of providing export insurance. Insurance policies issued to ROK companies through this program provide protection from risks such as payment refusal and buyer's breach of contract. Claims are paid from the Export Insurance Fund, which is managed by the KEIC and is funded by contributions from the GOK and the private sector via premium payments. The KEIC determines premium rates by considering numerous factors, including the creditworthiness of the importing party and the term of the policy. Hynix and SEC both participated in this program during the POI.

To determine whether an export insurance program provides a countervailable benefit, we first examine whether premium rates charged are adequate to cover the program's long-term operating costs and losses. See 19 CFR 351.520(a)(1). In doing so, the Department will analyze both the viability of the program and the overall commercial health of the entity operating the program. In examining whether rates are manifestly inadequate, the Department will examine a five-year period, POI inclusive. See *Preamble*, 63 FR at 65385.

The GOK reports that the KEIC export insurance program has experienced operating losses for all of these years, and that the GOK has been covering the losses incurred by this program. Therefore, we preliminarily determine that the premium rates that are being charged are inadequate pursuant to 19 CFR 351.520(a)(1). If the Department determines that premium rates are inadequate, pursuant to 19 CFR 351.520(a)(2), the benefit amount is calculated as the net amount of compensation received (compensation received less premium fees paid). Thus, consistent with the *Final Affirmative Countervailing Duty Determination: Carbon Steel Butt-Weld Pipe Fittings From Israel*, 60 FR 10569, 10571 (February 27, 1995), we examined export insurance expressly related to DRAMS exported to the United States. SEC did not make any claims or receive any pay-outs from the KEIC related to

DRAMS during the POI; Hynix reported that it also did not receive any pay-outs during the POI. Therefore, we preliminarily determine that neither SEC nor Hynix received a countervailable benefit pursuant to this program within the meaning of section 771(5)(E) of the Act during the POI.

IV. Program Preliminarily Determined To Not Exist

Based on the information provided in the responses, we preliminarily determine that the following program does not exist:

Won 680 Billion Bond Guarantee

V. Programs for Which We Did Not Make a Preliminary Determination

As noted above, because we received several new subsidy allegations from the petitioner only 40 days prior to this preliminary determination, and were not able to initiate an investigation of two of these programs until four weeks before the preliminary determination (as discussed in the *New Subsidy Allegations Memo*), we had insufficient time prior to this preliminary determination to properly analyze the data and information submitted in response to these new programs. However, we will make a finding on the following new programs in the final determination:

A. Import Duty Reduction for Cutting Edge Products

B. Permission for Hynix and SEC To Build in Restricted Area

Verification

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

Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated an individual rate for each manufacturer of the subject merchandise. We preliminarily determine the total estimated net countervailable subsidy rates for Hynix and SEC to be the following:

Producer/Exporter	Net subsidy rate (percent)
Samsung Electronics Co., Ltd.	0.16
Hynix Semiconductor Inc. (formerly, Hyundai Electronics Industries Co., Ltd.)	57.37
All Others	57.37

In accordance with sections 777A(e)(2)(B) and 705(c)(5)(A) of the Act, we have set the "all others" rate as