

the purchase of raw materials within the state and either defer or exempt sales taxes on the sale of finished goods.

As adverse facts available for the State of Bihar sales tax incentive program, we preliminary determine to use a rate of 2.00 percent *ad valorem*, which is the *de minimis* rate applicable for developing countries.

C. Programs in the State of Jharkhand

1. Sales Tax Incentives

Petitioners alleged that, under this program, “existing industrial units” as well as “new industrial units” are eligible to “set off” the Jharkhand sales tax paid on purchases of raw materials against the amount of sales tax payable to Jharkhand on the sale of finished products. As adverse facts available for the State of Jharkhand (SOJ) sales tax incentive program, we preliminary determine to use a rate of 2.00 percent *ad valorem*, which is the *de minimis* rate applicable for developing countries.

2. Captive Electricity Generative Plant Subsidy

Petitioners alleged that, under the Jharkhand Industrial Policy 2001, the SOJ provides a grant to “new industrial units” in certain industries that invest in a captive electricity generating plant within “backward areas” of the state. As adverse facts available for the SOJ program, we preliminary determine to use a rate of 2.00 percent *ad valorem*, which is *de minimis* rate applicable for developing countries.

3. Interest Subsidy

Petitioners alleged that, under the Jharkhand Industrial Policy 2001, the SOJ provides an interest subsidy to eligible “new industrial units” that invest in “backward areas” within the state. Annexures I and III of the Jharkhand Industrial Policy 2001 identify “backward areas” and ineligible industries, respectively. As adverse facts available for this SOJ program, we preliminary determine to use a rate of 2.00 percent *ad valorem*, which is *de minimis* rate applicable for developing countries.

4. Stamp Duty and Registration

Petitioners alleged that, under the Jharkhand Industrial Policy 2001, the SOJ grants an exemption from the payment of 50 percent of the stamp duty and registration fee required for the purpose of registering documents with the state relating to the purchase of land and buildings for establishing a “new industrial unit” within certain “backward areas” of the state. As adverse facts available for the SOJ program, we preliminary determine to

use a rate of 2.00 percent *ad valorem*, which is the *de minimis* rate applicable for developing countries.

5. Pollution Control Equipment Subsidy

Petitioners alleged that, under the Jharkhand Industrial Policy 2001, the SOJ provides a capital investment subsidy in the form of a grant for installation of pollution control and monitoring equipment to eligible new and existing industrial units in “backward areas” of the state. As adverse facts available for the SOJ program, we preliminary determine to use a rate of 2.00 percent *ad valorem*, which is the *de minimis* rate applicable for developing countries.

6. Mega Units

Petitioners alleged that, under the Jharkhand Industrial Policy 2001, the SOJ formulates special tax incentives and tax deferrals for new projects with an investment of more than Rs. 500,000,000 (“mega units”) on a case-by-case basis. As adverse facts available for this SOJ program, we preliminary determine to use a rate of 2.00 percent *ad valorem*, which is the *de minimis* rate applicable for developing countries.

7. Captive Electricity Tax Exemptions

Petitioners allege that the SOJ seeks to encourage the private sector to establish captive power generation plants. Under the Jharkhand Industrial Policy 2001, such captive power generation and purchase shall be exempted from electricity duty for a period of ten years from the date of commercial production. As adverse facts available for this SOJ program, we preliminary determine to use a rate of 2.00 percent *ad valorem*, which is the *de minimis* rate applicable for developing countries.

D. Program in the State of Gujarat

1. Sales Tax Incentives

Petitioners argue that, pursuant to the 1995 Industrial Policy of Gujarat, the government granted sales tax incentives to eligible investments located in specific areas in Gujarat. Only “banned industries” and operations in “banned areas” were ineligible. Petitioners allege that eligible units were entitled to purchase raw materials, consumable stores, packing materials and processing materials required for production free of charge. They allege that, in addition, other available benefits included exemptions or deferment from sales tax on the sales of goods, intermediate products by-products, scrap, and waste as well as exemptions or deferment from turnover tax and the Central Sales Tax. Petitioners allege that, with the 2000 Industrial Policy, the State of Gujarat

extended the availability of these sales tax incentives, allowing companies to continue benefitting after 2000.

As adverse facts available for the State of Gujarat’s sales tax incentive program, we preliminary determine to use a rate of 2.00 percent *ad valorem*, which is the *de minimis* rate applicable for developing countries.

Suspension of Liquidation

In accordance with 703(b) of the Act, we have calculated the following countervailing duty rate for all Indian producers/exporters of subject merchandise.

Producer/Exporter	Net subsidy rate
All producers/exporters.	62.92% ad valorem

In accordance with section 703(d) of the Act, we are directing the U.S. Bureau of Customs and Border Protection to suspend liquidation of all entries of the subject merchandise From India, which are entered or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the **Federal Register**, and to require a cash deposit or the posting of a bond for such entries of the merchandise in the amount indicated above. This suspension will remain in effect until further notice.

ITC Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and nonproprietary information relating 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.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

Public Comment

In accordance with 19 CFR 351.310, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on this preliminary determination. Any requested hearing will be tentatively scheduled to be held 57 days from the date of publication of the preliminary