

first determined the amount of the tax credits claimed which were based upon investments in domestically-produced and specific "facilities." We then calculated the additional amount of tax credits received by the company because it earned tax credits of ten percent on such investments instead of a three or five percent tax credit. Next, we calculated the amount of the tax savings earned through the use of these tax credits during the POR and divided that amount by INI/BNG's total f.o.b. sales during the POR. On this basis, we preliminarily determine a net countervailable subsidy of 0.03 percent *ad valorem* for INI/BNG.

7. Electricity Discounts Under the Requested Load Adjustment Program (RLA)

With respect to the Requested Load Adjustment (RLA) program, the GOK introduced this discount in 1990 to address emergencies in the supply of electricity by the government-owned electricity provider, Korea Electric Power Company (KEPCO). Under this program, customers with a contract demand of 5,000 kW or more, who can curtail their maximum demand by 20 percent or suppress their maximum demand by 3,000 kW or more, are eligible to enter into an RLA contract with KEPCO. Customers who choose to participate in this program must reduce their load upon KEPCO's request, or pay a surcharge to KEPCO.

Customers can apply for this program between May 1 and May 15 of each year. If KEPCO finds the application in order, KEPCO and the customer enter into a contract with respect to the RLA discount. The RLA discount is provided based upon a contract for two months, normally July and August. Under this program, a basic discount of 440 won per kW is granted between July 1 and August 31, regardless of whether KEPCO makes a request for a customer to reduce its load. During the POR, KEPCO and INI entered into a contract pursuant to which KEPCO granted INI electricity discounts under this program.

In *Sheet and Strip*, 64 FR at 30646, the Department found this program to be specific under section 771(5A)(D)(iii)(I) of the Act because the discounts were distributed to a limited number of customers. Moreover, we found that a financial contribution was provided within the meaning of section 771(5)(D)(ii) of the Act in the form of revenue forgone by the government.

INI did receive discounts during the POR; therefore, we find that a financial contribution is provided to INI under this program, within the meaning of

section 771(5)(D)(ii) of the Act, in the form of revenue foregone by the government. Sammi did not use this program. The benefit provided under this program is a discount on a company's monthly electricity charges. Respondents have not provided any new information to warrant reconsideration of this determination. Therefore, we continue to find this program countervailable.

Because the electricity discounts provide recurring benefits, we have expensed the benefit from this program in the year of receipt. To measure the benefit from this program, we summed the electricity discounts which INI received from KEPCO under the RLA program during the POR. We then divided that amount by INI/BNG's total f.o.b. sales value for 2001. On this basis, we preliminarily determine a net countervailable subsidy of 0.01 percent *ad valorem* for INI/BNG.

8. Purchase of Sammi Specialty Steel Division by POSCO

In *Sheet and Strip*, the Department found that POSCO's 1997 purchase of Sammi's bar and pipe division constituted a countervailable subsidy. We determined that, at the time of the purchase, POSCO's actions were directed by the GOK and that this purchase was not made according to commercial considerations. This decision was based on information from POSCO, the petition, and other publicly available information, as Sammi did not participate in the investigation. See *Sheet and Strip*, 64 FR at 30638 and 30642. Sammi has, however, fully participated in this review and has provided new information that allows us to reexamine our earlier adverse facts available determination.

We previously determined that POSCO was a government-controlled company at the time it purchased Sammi's bar and pipe facility. See *Sheet and Strip* 64 FR 30642. See also Section III, Part A of this notice for more information concerning government control of POSCO. No new information has been provided requiring the Department to revisit its prior determination that POSCO was GOK-controlled at the time it purchased Sammi's facility. Therefore, we are considering POSCO's payment for Sammi's bar and pipe facility equivalent to a payment by the government for this facility. This payment by the government constitutes a financial contribution under section 771(5)(D)(iv) of the Act.

During this review, we provided the GOK the opportunity to present information about other similar facility

purchases during the time period of POSCO's purchase of Sammi's bar and pipe facility. See the May 21, 2003 GOK Supplemental Questionnaire Response (GOK Supplemental), Question E1. The list provided by the GOK in response to the Department's question refers only to purchases of entire steel companies, as opposed to individual assets or facilities. See GOK Supplemental, Exhibit O-1. In addition, we note that POSCO was not among the purchasers listed. Thus, we have no record evidence that another purchase of this nature was made by POSCO or any other government entity. Therefore, we preliminarily find that this sale was specific to Sammi within the meaning of section 771(5A)(D)(i) of the Act.

A benefit is conferred where the government purchases goods at more than adequate remuneration. See Section 771(5)(E)(iv) of the Act. As used in the Act, the term "good" is expansive, encompassing more than just moveable property. See *Notice of Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Certain Softwood Lumber Products From Canada*, 67 FR 15545 (April 2, 2002), and accompanying Issues and Decision Memorandum, at "Financial Contribution" section. The definition of "goods" includes all property or possessions, and saleable commodities. See *id.* Accordingly, we preliminarily determine that Sammi's bar and pipe facility is a "good."

The next issue is whether POSCO purchased Sammi's bar and pipe facility at more than adequate remuneration. The Department is guided by section 351.511(a)(2) of the regulations. Due to the absence of evidence of either a market-determined price for this facility in Korea or a world market-price, we are determining the benefit provided by this program by evaluating whether POSCO's purchase price for this good is consistent with market principles, as described in section 351.511(a)(2)(iii) of the regulations.

In *Sheet and Strip*, we determined that the purchase of Sammi's bar and pipe facility by POSCO conveyed a countervailable benefit to Sammi. See *Sheet and Strip* and accompanying Issues and Decision Memorandum at "Purchase of Sammi Specialty Steel Division". While this decision was based on adverse facts available, the information on the record remains largely the same. In *Sheet and Strip*, we relied heavily on a report issued by the Korean Board of Audit and Inspection (BAI) which criticized POSCO's purchase of the plant. In addition it noted that POSCO did not adhere to its