

Inchon, an equityworthy company. Thus, in accordance with Section 771(5)(E)(i) of the Act, we find that this investment decision is not inconsistent with the usual practice of private investors and did not confer a benefit to Kangwon. Therefore, we preliminarily find this program to be not countervailable.

C. Debt Forgiveness Provided to Sammi by KAMCO

Sammi received debt forgiveness as part of a workout plan agreed to by Sammi's creditors while Sammi was under court receivership from March 18, 1997 until March 23, 2001. KAMCO, a government-owned entity, was Sammi's lead creditor during a portion of Sammi's time under court receivership. In the previous review, petitioners argued that even though this debt forgiveness occurred in the context of bankruptcy proceedings, the debt forgiveness was specific. See *2000 Sheet and Strip* Decision Memo at Comment 7. They cited a newspaper article which stated that the workout plan, in which the debt forgiveness was included, was the first such plan in which KAMCO, acting as the lead creditor, had participated in a merger and acquisition (M&A) agreement.

In *2000 Sheet and Strip*, we did not examine this program as we were not examining information pertaining to Sammi. However, we indicated that we would examine this program in the instant review. At verification we examined KAMCO's actions as Sammi's lead creditor compared with its actions in other similar situations. The typical return that KAMCO generated on its sale of Sammi's non-performing loans (NPLs) was similar to, and even slightly higher, than the typical return that KAMCO generates on its sale of NPLs. See GOK Verification Report at 5. Furthermore, the exact amount of debt forgiven was determined by the purchase offers which Sammi received and not by KAMCO. *Id.* The public bidding process was also carried out by Solomon Smith Barney, an independent consultancy.

In addition, we requested information pertaining to KAMCO's participation in M&A agreements while acting as lead creditor for companies under court receivership. See GOK Verification Report, Exhibit KAM-1. Based on this information, the debt forgiveness agreed to by KAMCO with respect to Sammi's workout plan was similar to the debt forgiveness agreed to with respect to other companies in court receivership where KAMCO was the lead creditor. Therefore, we find that KAMCO's debt forgiveness to Sammi is not specific

within the meaning of Section 771(5A)(D)(iii) of the Act.

Furthermore, it is the Department's practice to find that debt forgiveness in the context of bankruptcy, is not countervailable. See *Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination Carbon and Certain Alloy Steel Wire Rod from Germany*, 67 FR 55808 (August 30, 2002) and accompanying Decision Memo at Comment 6. We find no evidence on the record that Sammi received special or differential treatment in the bankruptcy process. Therefore, we preliminarily find that KAMCO's debt forgiveness to Sammi is not countervailable in accordance with section 771(5)(A) of the Act.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for the producer/exporter subject to this administrative review. For the period January 1, 2001 through December 31, 2001, we preliminarily determine the net subsidy for INI/BNG to be 0.56 percent *ad valorem*.

If the final results of this review remain the same as these preliminary results, the Department intends to instruct the U.S. Bureau of Customs and Border Protection (BCBP) to assess countervailing duties as indicated above. The Department also intends to instruct BCBP to collect cash deposits of estimated countervailing duties as indicated above as a percentage of the f.o.b. invoice price on all shipments of the subject merchandise from reviewed companies, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

Because the URAA replaced the general rule in favor of a country-wide rate with a general rule in favor of individual rates for investigated and reviewed companies, the procedures for establishing countervailing duty rates, including those for non-reviewed companies, are now essentially the same as those in antidumping cases, except as provided for in section 777A(e)(2)(B) of the Act. The requested review will normally cover only those companies specifically named. See 19 CFR 351.213(b). Pursuant to 19 CFR 351.212(c), for all companies for which a review was *not* requested, duties must be assessed at the cash deposit rate, and cash deposits must continue to be collected, at the rate previously ordered. As such, the countervailing duty cash deposit rate applicable to a company can no longer change, except pursuant

to a request for a review of that company. See *Federal-Mogul Corporation and The Torrington Company v. United States*, 822 F.Supp. 782 (CIT 1993) and *Floral Trade Council v. United States*, 822 F.Supp. 766 (CIT 1993) (interpreting 19 CFR 353.22(e), the antidumping regulation on automatic assessment, which is identical to 19 CFR 351.212(c)(ii)(2)). Therefore, the cash deposit rates for all companies except those covered by this review will be unchanged by the results of this review.

We will instruct the BCBP to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to non-reviewed companies covered by this order will be the rate for that company established in the most recently completed administrative proceeding conducted under the URAA. If such a review has not been conducted, the rate established in the most recently completed administrative proceeding pursuant to the statutory provisions that were in effect prior to the URAA amendments is applicable. See *Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils from the Republic of Korea*, 64 FR 30636, at 30664 (June 8, 1999). These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested. In addition, for the period January 1, 2001 through December 31, 2001, the assessment rates applicable to all non-reviewed companies covered by this order are the cash deposit rates in effect at the time of entry.

Upon completion of this administrative review, the Department will determine, and BCBP shall assess, countervailing duties on all appropriate entries. In accordance with 19 CFR 351.212(b)(2), we have calculated a company-specific assessment rate for merchandise subject to this review. The Department will issue appropriate assessment instructions directly 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 the resulting assessment rates against the entered customs values for the subject merchandise on each of the company's entries during the review period.

Public Comment

Pursuant to 19 CFR 351.224(b), the Department will disclose to parties to the proceeding any calculations