

single country-wide rate applicable to all exporters if the Department determines it is not practicable to determine individual countervailable subsidy rates due to the large number of exporters or producers involved in the investigation or review.

In the countervailing duty investigation of honey from Argentina, the Department solicited information from the GOA on an aggregate or industry-wide basis in accordance with section 777A(e)(2)(B) of the Act, rather than from individual producers and exporters, due to the large number of producers and exporters of honey in Argentina. *See Memorandum to the File, Countervailing Duty Investigation of Honey from Argentina: Conducting the Investigation on an Aggregate Basis*, dated November 22, 2000. As noted above, in accordance with 19 CFR § 351.213(b)(2), both the GOA and the petitioners requested an administrative review of this countervailing duty order. (*See Initiation Notice.*) No individual exporters requested the review pursuant to 19 CFR § 351.213(b). Accordingly, the Department has conducted this review of the order on an aggregate basis and will calculate a single country-wide subsidy rate for 2001 and 2002 to be applied to all exports of the subject merchandise. *See Section 777A(e)(2)(B) of the Act.*

Allocation Period

In the underlying investigation, we identified the allocation period in accordance with 19 CFR § 351.524(d)(2) which directs us to rely on the average useful life (AUL) of renewable physical assets for the industry concerned, as listed in the Internal Revenue Service's (IRS) 1977 Class Life Asset Depreciation Range System, as updated by the Department of Treasury. No parties provided information or argument about the AUL issue. Therefore, we will continue to use the 10-year AUL as reported in the IRS tables to allocate any non-recurring subsidies under review.

Benchmark Interest Rates and Discount Rates

In selecting benchmark interest rates for use in calculating the benefits conferred by the various loan programs under review, we would normally look for the interest rate a borrower had received on a comparable commercial loan. *See* 19 CFR 351.505(a)(3)(i). However, since we are conducting this review on the aggregate level, and we are not examining individual companies, we have sought information on the national average interest rates for comparable commercial loans. *See* 19 CFR 351.505(a)(3)(ii). The GOA

provided information compiled by the Central Bank of Argentina showing the national average interest rates for various types of financing: long-term, fixed-rate, denominated in Argentine Peso and in foreign currency. For each loan program found to be countervailable, we have selected a benchmark from the information provided depending upon the terms and characteristics of the particular loan program.

We are directed by 19 CFR 351.524(d)(3) regarding the selection of a discount rate for the purposes of allocating non-recurring subsidies over time. Since we are conducting this investigation on an aggregate basis under section 777A(e)(2)(B) of the Act, we are using, as the discount rate, the average cost of long-term fixed-rate loans in Argentina as reported by the GOA. *See* 19 CFR 351.524(d)(3)(i)(B).

Denominator Issues

The GOA has provided information for 2001 and 2002 relating to the total volume of honey produced in Argentina, the volume and value in U.S. Dollars, of total honey exports, and the volume and value in U.S. Dollars, of exports of honey to the United States. The GOA has also broken down, where possible, the export volumes and values according to the province in which the honey was produced. However, the GOA was unable to provide information relating to total domestic sales of honey for 2001 and 2002. As a proxy for total sales information, the GOA provided data showing the volume of honey production by province during 2001 and 2002. However, the GOA stated that it could not provide the value of production for 2001 and 2002. Consistent with the investigation, we calculated a proxy for the value of the total production reported by the GOA using the volume and value data provided for exports to the United States. *See Notice of Final Affirmative Countervailing Duty Determination: Honey from Argentina*, 66 FR 50613 (October 4, 2001) (*Honey Final Determination*), and the accompanying Issues and Decision Memorandum (*Honey Issues Memo*), at "Denominators." We divided the value of Argentine honey exports to the United States by the volume of those exports to calculate a per kilogram value in U.S. Dollars. We then multiplied this per kilogram value by the provincial production data provided to arrive at the value of total Argentine honey production during 2001 and 2002. We have used this total production value as our denominator when calculating the subsidy from domestic subsidy

programs provided by the GOA, and we have used the relevant provincial production value as our denominator when calculating the subsidy from domestic subsidies provided at the provincial level. We have used the total or provincial export values, as appropriate, as our denominators when calculating the subsidy from programs we have determined to be export subsidies.

To determine the final subsidy from each provincial program that is attributable to exports of honey to the United States, we applied the following methodologies: (1) For provinces for which we have reported data on the volume and value of honey production that was exported, we weight-averaged the subsidies from each provincial program by multiplying each subsidy by the province's share of total honey exports, by value, to the United States during the POR; and (2) for provincial domestic subsidy programs in provinces that do not have reported exports of honey to the United States during the POR, but do have reported honey production during the POR, and for which the GOA did not specifically report that the province had no exports to the United States, we divided the benefits by the value of total value of Argentine honey production during the POR.

As noted above, Argentine honey production and exports have been valued in U.S. Dollars. As detailed below, certain Argentine Peso-denominated loan programs provided benefits to Argentine honey producers and exporters in Argentine Pesos. In such instances, we converted those Argentine Peso-denominated benefits into U.S. Dollars using the official exchange rate data provided by the GOA.

Analysis of Programs

I. Programs Preliminarily Determined to be Countervailable

A. Federal Programs

1. Argentine Internal Tax Reimbursement/Rebate Program (Reintegro)

The Reintegro program entitles Argentine exporters to a rebate of many internal domestic taxes levied during the production, distribution, and sales process on many exported products. The Reintegro program provides a cumulative stage tax rebate paid upon export, calculated as a percentage of the "free on board" (FOB) invoice price of an exported product.

In the underlying investigation, the Department found the Reintegro to be