

regarding the petitioner's December 2, 2003 letter. These comments and information were submitted too late for consideration in these preliminary results.

Sections 776(a)(2)(A) and 776(a)(2)(B) of the Act provide for the use of facts otherwise available when an interested party withholds information that has been requested by the Department, or when an interested party fails to provide the information requested in a timely manner and in the form required.

The GOA provided no information about the Convergence Factor in response either to questions regarding changes in the Reintegro or questions regarding any other forms of assistance provided to producers and exporters of subject merchandise. (See the GOA's April 14, 2003 response to the Department's initial questionnaire.) Moreover, the record also shows that when questioned at verification regarding whether the GOA implemented any additional forms of assistance for exporters in lieu of Reintegro payments at the time of or since the reduction of the Reintegro rates, GOA officials stated that there were no such measures. (See the *Reintegro Verification Report*.) Therefore, because the GOA failed to provide information on the Convergence Factor, the Department must resort to facts otherwise available.

Section 776(b) of the Act provides that, in selecting from among the facts available, the Department may use an inference that is adverse to the interests of a respondent, if it determines that a party has failed to cooperate to the best of its ability.

The GOA's stated position for not providing information on the Convergence Factor appears to be the following: (1) The Convergence Factor was an exchange rate mechanism that was not an additional subsidy which provided assistance to exporters; (2) exchange rate mechanisms have nothing to do with the Reintegro; and (3) the Department has found exchange rate policies which apply to imports and exports to be not countervailable.

We disagree with the GOA's contention that it could not reasonably be expected to provide information regarding the Convergence Factor in response to the Department's question regarding any other forms of assistance provided to producers and exporters of subject merchandise. Clearly, the Convergence Factor is a form of assistance that was provided to exporters of the subject merchandise during the POR. (See *CF Public Information Memo*.) As such, it is reasonable to conclude that the GOA

was obligated to provide information regarding the Convergence Factor in response to questions regarding other forms of assistance provided to exporters of the subject merchandise. Moreover, it is reasonable to conclude that the GOA was aware of its obligation to provide information regarding the Convergence Factor in response to questions regarding other forms of assistance provided to exporters of the subject merchandise.

We note that, in response to the Department's question regarding any other forms of assistance provided to producers and exporters of subject merchandise, the GOA did provide information regarding a provincial loan program called "Convenio Programa MIPyMES Agropecuarios Bonaerenses 2000" which the GOA maintained was not countervailable. (See "Program Preliminarily Determined to be Not Countervailable," below.) Since the GOA did report information on one program which it believed to be not countervailable, the Department can reasonably conclude that the GOA was aware of its obligation to report programs like the Convergence Factor even though it may believe that the Department should find a program such as the Convergence Factor to be not countervailable.

We also disagree with the GOA's contention that it could not reasonably be expected to provide information regarding the Convergence Factor in response to the Department's questions regarding possible replacements to the Reintegro program. In response to questions regarding the Reintegro program, the GOA provided a Spanish version of Resolution 470/2001 with a translation of Article 6 which set the reintegro rate for processed honey to zero. In response to the Department's November 14, 2003 letter which mentioned Article 2 of Resolution 470/2001, the GOA stated that Article 2 provides that "companies accruing a credit from the difference in exchange rates would receive less of a reintegro rebate." Based even on this partial translation of Resolution 470/2001, it is clear that the operation of the Convergence Factor and the Reintegro were interrelated.

Moreover, a more complete translation of Article 2 shows that in cases where the Convergence Factor is larger than the corresponding Reintegro, only the Convergence Factor should be paid in lieu of the Reintegro. (See *Memorandum placing translation of Resolution 470/2001, Article 2 on the record of this review*, dated December 8, 2003.) As such, the record shows that both the Convergence Factor and the

Reintegro program provided credits to exporters and the amount of credits provided by the Convergence Factor and the Reintegro program were limited by Article 2 of Resolution 470/2001. Since the GOA enacted Resolution 470/2001, and Article 2 of said resolution governed the interrelationship of the Convergence Factor and the Reintegro, it is reasonable to conclude that the GOA was obligated to provide information regarding the Convergence Factor in response to questions regarding possible replacements to the Reintegro.

Finally, we disagree with the GOA's contention that the existence of the cases it cited shows that the Department will not find a multiple exchange rate countervailable. There are several administrative cases where the Department has found multiple exchange rates countervailable. (See, e.g., *Final Affirmative Countervailing Duty Determination; Certain Electrical Conductor Aluminum Redraw Rod From Venezuela*, 53 FR 24763 (June 30, 1988).) The Department's decisions regarding multiple exchange rates like the Convergence Factor are fact specific. Since the GOA failed to provide information on the Convergence Factor, we must resort to facts otherwise available to make our decision regarding the countervailability of the Convergence Factor.

The GOA was aware of its obligation to report information regarding the Convergence Factor and had the ability to report its own program. Therefore, the Department preliminarily concludes that the GOA failed to cooperate to the best of its ability. Accordingly, in applying the facts otherwise available, the Department finds that an adverse inference is warranted, pursuant to section 776(b) of the Act.

An analysis of the public information from the companion antidumping duty review shows the following. On June 19, 2001, GOA Decree 803/2001 modified the relationship between the Argentine Peso and the U.S. Dollar, as applied to import/export transactions. The Central Bank established a "factor de convergencia" or convergence factor (CF) for import/export transactions. The CF did not affect the convertibility plan for other types of U.S. Dollar transactions. The CF mechanism acted as an export promotion instrument. Concurrent with implementation of the CF, the GOA reduced the Reintegro for all products by seven percent. GOA Decree 191/2002 apparently suspended the CF on January 29, 2002. (See *CF Public Information Memo*.)

Public information from the companion antidumping duty review indicates the GOA calculated the CF for