

allocated US\$ 50,000 for each of the agreements made under the Special Programs of Support of Economic Activities of the Province of Buenos Aires for the year 2000. The programs are to offset up to 7 annual percentage points for loans issued by Banco Provincia during the year 2000 to micro-, small-, and medium-sized companies in the agricultural, industrial, commercial, and services sectors within the Province of Buenos Aires. In general, under the MIPyMEs Agreement, loans are granted for purposes of working capital and investment. The terms (length) of the loans varied and were based on the nature of the borrower. For the honey sector, loans can be given up to US\$ 20,000 and have an interest rate for non-export transactions⁴ in foreign currency. The Province can defray the interest on these loans up to four percent annually.

While eligibility for this program is limited to micro-, small- and medium-sized businesses involved in agricultural, industrial, commercial, and services sectors within the Province of Buenos Aires, in accordance with 19 CFR § 351.502(e), a subsidy is not specific solely because the subsidy is limited to small firms or small- and medium-sized firms. As such, we preliminarily determine that this program is not *de jure* specific. We have analyzed whether the actual use of these credit loans give rise to *de facto* specificity under section 71(5A)(D)(iii) of the Act. Based on information examined at verification, these loans were provided to a broad range of borrowers within numerous industries in agriculture, industry, and services. Honey producers received significantly less than one percent of the loans, by value, under the MIPyMEs Agreement. Thus, there is no basis for concluding that benefits under this program are *de facto* specific to an enterprise or industry or group of industries within the meaning of section 771(5A)(D)(iii) of the Act. Moreover, we found no evidence to indicate that these loans were provided to finance exports or import substitution.

As a result, we preliminarily determine that the loans offered under the MIPyMEs Agreement are not countervailable subsidies within the meaning of the Act.

⁴ According to the questionnaire response, dated April 14, 2003, this rate typically exceeds the rate associated with loans that pertain to foreign trade, due to the perceived higher level of risk associated with the transactions.

III. Programs Preliminarily Determined To Be Not Used

We preliminarily determine that Argentine producers and exporters of honey to the United States did not apply for or receive benefits under the following programs during the POR.

A. Federal Programs

1. BICE Norm 001: Financing of Production of Goods Destined for Export
2. BICE Norm 007: Line of Credit Offered to Finance Industrial Investment Projects to Restructure and Modernize the Argentine Industry
3. BNA Line of Credit to the Agricultural Producers of the Patagonia
4. BNA Pre-Financing of Exports Regime for the Agricultural Sector
5. Production Pole Program for Honey Producers
6. Enterprise Restructuring Program
7. SGRs—Government Backed Loans Guarantees
8. Fundacion Export *AR
9. PROAPI

B. Provincial Programs

1. Province of Entre Rios Honey Program
2. Province of Chabut: Province of Chabut Law No. 4430/98
3. Province of Santiago del Estero Creditos de Confinanzas (Trust Credits)

Preliminary Results of Administrative Review

In accordance with section 777A(e)(2)(B) of the Act, we have calculated CVD rates on an aggregate or industry-wide basis for exports of subject merchandise in this administrative review. We have calculated separate rates for 2001 and for 2002. We preliminarily determine the total net countervailable subsidy rate is 5.77 percent *ad valorem* for 2001 and 0.57 percent *ad valorem* for 2002.

If the final results of this administrative review remain the same as the preliminary results, the Department will instruct CBP to liquidate shipments of honey from Argentina entered, or withdrawn from warehouse, for consumption from January 1, 2001 through December 31, 2001 at 5.77 percent *ad valorem* and shipments of honey from Argentina entered, or withdrawn from warehouse, for consumption from January 1, 2002 through December 31, 2002 at 0.57 percent *ad valorem*. Also, the rate of cash deposits of estimated countervailing duties will be set at 0.57 percent *ad valorem* for all shipments of honey from Argentina entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative

review. The Department will issue appropriate assessment instructions directly to the CBP within 15 days of publication of the final results of this review.

Public Comment

Pursuant to 19 CFR § 351.224(b), the Department will disclose to parties to the proceeding any calculations performed in connection with these preliminary results within five days after the date of publication of this notice. Pursuant to 19 CFR § 351.309, interested parties may submit written comments in response to these preliminary results. Unless otherwise extended, case briefs must be submitted within 30 days after the date of publication of this notice, and rebuttal briefs, limited to arguments raised in case briefs, must be submitted no later than five days after the time limit for filing case briefs. Parties who submit argument in this proceeding are requested to submit with the argument: (1) A statement of the issue, and (2) a brief summary of the argument. Case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f). Also, pursuant to 19 CFR 351.310, within 30 days of the date of publication of this notice, interested parties may request a public hearing on arguments to be raised in the case and rebuttal briefs. Unless the Secretary specifies otherwise, the hearing, if requested, will be held two days after the date of submission of rebuttal briefs, that is, thirty-seven days after the date of publication of these preliminary results.

Representatives of parties to the proceeding may request disclosure of proprietary information under administrative protective order no later than 10 days after the representative's client or employer becomes a party to the proceeding, but in no event later than the date the case briefs, under 19 CFR 351.309(c)(ii), are due. The Department will publish the final results of this administrative review, including the results of its analysis of issues raised in any case or rebuttal brief.

This administrative review and notice are issued and published in accordance with section 751(a)(1) and 777(i)(1) of the Act (19 U.S.C. 1675(a)(1) and 19 U.S.C. 1677f(1)).

Dated: December 8, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

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