castings. On this basis, we preliminarily determine the net subsidy from this program to be 4.24 percent ad valorem for all manufacturers and exporters in India of certain iron-metal castings.

On February 1, 1991, manufacturers and exporters of castings agreed to stop applying for CCS rebates on exports of the subject castings to the United States. We also verified that the Government of India terminated the program effective July 3, 1991. However, exporters have two years in which to file applications for CCS rebates for exports made prior to July 3, 1991. To ascertain whether castings exporters received any residual benefits from this terminated program, we reviewed the companies' accounting ledgers through September 1993 (the time of our verification). We found no evidence of any application for or receipt of residual benefits under this program as of that date, which exceeded the two year period following the termination of the program during which castings exporters could file CCS applications. Therefore, we plan not to include the subsidy conferred by this program in the cash deposit rate to be established in the final results of this review. (See section 355.50(a) of the Proposed Rules.)

## 5. The Sale of Import Licenses

The GOI allows companies to transfer certain types of import licenses to other companies in India. During the review period, castings manufacturers/ exporters sold additional licenses and replenishment licenses. Because the companies received these licenses based on their status as exporters, we preliminarily determine that the sale of these licenses is countervailable. See the 1988 and 1989 Indian Castings Final Results. There has been no new information or evidence of changed circumstances in this review to warrant reconsideration of this program's countervailability.

A company receives an additional license based on its total export earnings from the previous year. Therefore, we calculated the subsidy by dividing the total amount of proceeds a company received from sales of additional licenses by the total value of its exports of all products to all markets.

A company receives replenishment licenses based on individual export shipments. Therefore, we calculated the subsidy by dividing the amount of proceeds a company received from sales of replenishment licenses that was attributable to shipments of subject castings to the United States by the total value of the company's exports of subject castings to the United States.

We preliminarily determine the net subsidy from sales of import licenses to be 0.45 percent *ad valorem* for all manufacturers and exporters in India of certain iron-metal castings, except for those firms listed below which have significantly different aggregate benefits. The net subsidies for those firms are as follows:

Manufacturer/exporter	Net sub- sidy (per- cent)
Nandikeshwari Iron Foundry	0.00
Overseas Iron Foundry Pvt. Ltd	0.00
Sitaram Madhogarhia & Sons Pvt.	
Ltd	0.00

## 6. Advance Licenses

Generally, a company can receive an advance license if it has received a foreign purchase order or if it has an established history of exporting. Products imported under an advance license enter the country duty-free, and companies importing under advance licenses are obligated to export the products made using the duty-free imports. A product imported under an advance license does not necessarily have to be physically incorporated into the exported product. The amount of imports allowed under an advance license is closely linked to the amount of exports to be produced.

During the review period, eight of the respondent castings manufacturers/ exporters used advance licenses to import pig iron, an input which is physically incorporated into the subject iron-metal castings exported to the United States. We consider the use of advance licenses in this case to be the equivalent of a duty drawback program: customs duties were not paid on imported products that were physically incorporated in the subject castings which were exported to the United States. See the 1988 and 1989 Indian Castings Final Results, and the Final Affirmative Countervailing Duty Determination: Steel Wire Rope from India (Steel Wire Rope), (56 FR 46293, September 11, 1991). Therefore, we preliminarily determine that the use of advance licenses for the importation of pig iron is not countervailable.

## **Other Programs**

We also examined the following programs and preliminarily determine that exporters of certain iron-metal castings did not apply for or receive benefits under these programs with respect to exports of the subject merchandise to the United States during the review period: (1) Market Development Assistance; (2)

International Price Reimbursement Scheme; (3) Free Trade Zones; (4) Preferential Freight Rates; (5) 100 Percent Export-Oriented Units Program; (6) Exim Scrip; and (7) Income Tax Deductions under sections 80GGA, 80HH, 80HHA, and 80I of the Income Tax Act. Moreover, we verified that the exporters did not purchase diesel fuel at a discount, and that a program designed to provide preferentially priced oil for running generators was never funded. This program was abolished on April 1, 1993, and we did not find any evidence of residual benefits.

## **Preliminary Results of Review**

We preliminarily determine that the following net subsidies exist for the period January 1, 1990 through December 31, 1990:

Manufacturer/exporter	Net sub- sidy (per- cent)
Nandikeshwari Iron Foundry	4.29
Overseas Iron Foundry Pvt. Ltd Sitaram Madhogarhia & Sons Pvt.	18.52
Ltd Country-wide All-other Rate	22.32 10.16

If the final results of this review remain the same as these preliminary results, the Department intends to instruct the Customs Service to assess countervailing duties at the above percentages of the f.o.b. invoice price on shipments of the subject merchandise exported on or after January 1, 1990, and on or before December 31, 1990.

The Department also intends, as a result of the termination of benefits attributable to the CCS program, to instruct the Customs Service to collect cash deposits of estimated countervailing duties at the following rates:

Manufacturer/exporter	Net sub- sidy (per- cent)
Nandikeshwari Iron Foundry	0.05
Overseas Iron Foundry Pvt. Ltd Sitaram Madhogarhia & Sons Pvt.	14.28
Ltd	18.08
Country-wide All-other Cash Deposit Rate	5.92

The country-wide all-other cash deposit rate of 5.92 percent applies to all but the above-listed companies on shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review.

Parties to the proceeding may request disclosure of the calculation